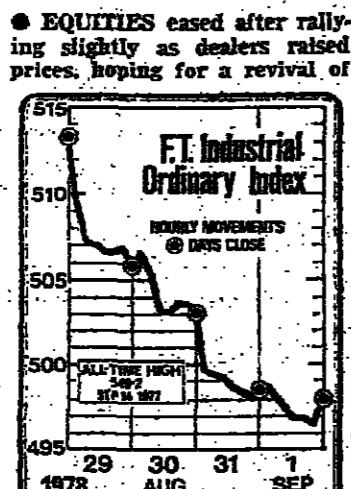




NEWS SUMMARY

GENERAL
S Thorpe faces second charge

BUSINESS
Equities ease; Gilts 0.15 up



institutional inquiry with the new account. The FT Industrial index closed 0.5 down at 495.

• **GILTS** showed more stability, particularly in the longer end of the market. The Government Securities Index closed 0.15 up at 70.34.

• **STERLING** rose 60 points to close at \$1.9495. The pound's trade-weighted index improved to 62.5 (62.6) and the dollar's depreciation was unchanged at 9.1 per cent.

• **GOLD** rose \$2 to close at \$203.50, an increase of \$10.50 on the week. The New York Comex September settlement price was \$10.30 (205.30).

• **WALL STREET** rose 2.51 to close at 879.23.

• **Italy considers bonds sale**

• **ITALIAN** authorities are considering selling medium-term Government bonds pegged to a European currency limit, as part of a wider reform of the country's public finances which could include the introduction of a "heavy lift" on the French model. Back Page

• **SENIOR** civil servants have used their power to block industrial and economic policy changes, according to Mr. Jack Jones, former general secretary of the Transport and General Workers' Union. Back Page

• **RASF**, one of the world's largest chemicals companies, is considering Humberside and Grangemouth on the Firth of Forth as possible sites for manufacture in the UK. Back Page

• **UK AEROSPACE** industry expects many multi-million pound contracts for work on the airframe or the Boeing 757 jet airliner and parts for the aircraft's Rolls-Royce RB 211-535 engines. Page 4

• **BRITAIN'S** trade balance showed a £289m surplus last year, a sharp swing from the previous year's £114m deficit, according to figures published in the Government's annual Pink Book. Page 2

• **ICI** has withdrawn pay proposals put to manual workers, formulated without first taking into account the Government's incomes policy. Page 3.

• **CLOTHING** factory, formerly located in Chester Barrie at Wrexham, is likely to close with the loss of about 250 jobs, as a result of the Receiver's failure to find a new buyer. Page 3.

• **NEW SOUTH WALES** Government has discovered a new coal deposit which could be the biggest in Australia. Page 19.

• **RECORD** attendances at the International Motor Cycle Show at Earl's Court have increased the industry's confidence about 1979 sales. Page 3.

COMPANIES

• **LEGAL AND GENERAL** Assurance Society emerged as the bidder for Glandfield Securities, the property and investment company owned by Sir Jack Lyons and family. Page 16

• **COMBEN GROUP** has increased its offer for Orme Developments to 55p per share in cash and shares. Page 16

• **AMET**, the Dutch insurance group, has increased first-half net profits by 31 per cent to F1.41m (\$19m) this year. Page 19

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)	FALLS
Rises	
Brit. & Cawdill	170 - 10
Costain (B)	134 - 5
Cullens A	285 - 4
Haw Par	149 - 5
Long (J) A	213 - 13
Lundt	147 - 11
Macmillan	242 - 5
Prudential Assurance	248 - 9
Simms Derby	121 - 4
Vincent	207 - 6
Standard A	31 - 5
Wallis	550 - 8
St. Albans	218 - 4
Vosper	218 - 4
Cent. Pacific Minerals	425 - 25

Tory-Liberal pact looks increasingly difficult, says Steel

BY RAY PERMAN, SCOTTISH CORRESPONDENT

It was looking increasingly difficult for the Liberals to contemplate a pact with the Tories if Mrs. Margaret Thatcher came out of the election as leader of the largest party, Mr. David Steel said yesterday.

The Liberal leader was speaking after Mrs. Thatcher had made a personal attack on him and on the Lib-Lab pact while she was touring his constituency.

"A hung Parliament with Liberals holding the balance is very likely to be the outcome of the election," Mr. Steel said.

We have proved that a pact with Labour can work. There is no reason it should not work again.

It is important for the Liberal Party not to run away from the issue but to show we are ready for it and we welcome it. The resolutions for our conference demonstrate we are ready to accept that."

In her speech to party workers, at Melrose, Roxburghshire, Mrs. Thatcher accused Mr. Steel of cynicism. He replied with a counter-charge of ambiguity.

The Opposition leader was determined to burn his boats with the Liberals but at the same time was "cosying up" to the Ulster Unionists, he claimed.

"What a tragic prospect for Northern Ireland and for Britain

if there is no clear-cut leadership.

Mr. Steel said: "The Tory General Election campaign will be based on the three themes of reducing taxes, maintaining law and order, and the defence of democracy. Mrs. Margaret Thatcher, Tory Party leader, told party workers last night, Page 3 and Back Page

campaign. Mr. Steel said he was to preach those beliefs at election time, only to compromise them immediately afterwards in order to share power with a party that believed in something very different.

"This would reduce Parliament to a political bazaar where votes had to be bought by doing deals, regardless of the true needs of the people."

They decided yesterday, however, to embark upon industrial action at once.

Mr. Steel said there was nothing that Chrysler could or would do to break the Government pay policy. Talks on the dispute with Mr. Terry Duffy, president-elect of the Amalgamated Union of Engineering Workers, are likely to continue at Brighton next week.

According to this version, the idea was to offer Mr. Nkomo a high office in an internal Rhodesian administration and Mr. Mugabe a similar, though lesser, post. Mr. Mugabe was said to have stormed out of the meeting in disgust.

Whatever the truth behind the allegations, they could sour the atmosphere at the current summit: talks held between President Kaunda and Mr. Smith in September last year reinforced the mutual suspicions between Mr. Nkomo, a close friend of President Kaunda, and Mr.

Mugabe may now feel once

Chrysler Luton workers strike

By Nick Garnett and Alan Pike

ALL PRODUCTION workers at Chrysler's Dunstable and Luton plants went on strike last night demanding pay parity with the company's Coventry factories.

The stoppage, which came the day after Peugeot drivers announced its detailed terms for taking over Chrysler's European operations, was described by Mr. George Lacy, managing director of Chrysler UK, as a "tragic and futile strike".

Luton, which enjoys the best industrial relations record in Chrysler UK, and Dunstable produce vans, trucks and components. Negotiations over the parity claim and a series of related issues have gone on for three months.

The Department of Employment and the Advisory Conciliation and Arbitration Service have been involved.

The workers' claim to raise their wages under Schedule 11 of the Employment Protection Act is due for hearing by the Central Arbitration Committee on September 26.

They decided yesterday, however, to embark upon industrial action at once.

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Mugabe may now feel once

African front line leaders open talks

BY OUR FOREIGN STAFF

again that Mr. Nkomo is preparing to break away from the tenuous two-year Patriotic Front alliance in favour of separate negotiations with Salisbury.

In spite of the controversy, some sources here in Lusaka were surprisingly optimistic that the current summit would lead swiftly to an all-party conference as proposed by Dr. David Owen, the British Foreign Secretary.

However, the main opposition to such a meeting has come not from the Patriotic Front but from the Black nationalist groups who have now joined Mr. Smith's Government in Salisbury. They still have to be persuaded that it is in their interests to attend such a conference.

The importance of the Lusaka meeting—which Zambian officials describe as "non-sense" and Dr. Kaunda's Press aide described them as "dreams."

However, officials in Dar es Salaam were reported to have insisted that the meeting had taken place and that Mr. Robert Mugabe, co-leader of the Patriotic Front, had also been brought into the discussions briefly by the Nigerians.

Mr. Nkomo yesterday dismissed these reports as "non-sense" and Dr. Kaunda's Press aide described them as "dreams."

The importance of the Lusaka meeting—which Zambian officials say they hope will be the last before legal independence in Rhodesia—was underlined by the fact that all five front-line Presidents turned up. President Agostino Neto of Angola and Sir Seretse Khama of Botswana often send representatives, leaving the main talking to President Kaunda, President Samora Machel of Mozambique and President Julius Nyerere of Tanzania.

According to Zambian officials, Mr. Mugabe will also be represented at the talks and renewed pressure exerted on Mr. Mugabe and Mr.

Nkomo to accept the Anglo-American peace plan. These proposals were first unveiled in Salisbury a year ago, to start what has become 12 months of inconclusive peace diplomacy.

Senior Zambian officials said the summit could well be over by this morning but declined to forecast the outcome because

Continued on Back Page

Britain and France clash over plan for Airbus

BY LYNTON MCCLAIN AND DAVID CURRY

A FIERCE row broke out. The attack was described as option for 25 of the new A310s, while also ordering 21 Boeing 757s with Rolls-Royce engines.

The airline had earlier placed an order for 25 of the larger A300 Airbuses.

M. Bettelle said the Government go-ahead announced by Mr. Eric Varley, Industry Secretary, for British Aerospace to join the Airbus consortium was "satisfactory to everybody."

Performance data was given and further talks took place on June 12 to check this in relation to BA's route needs. A further check was made during a July 3 meeting called to discuss wing design.

Later the airline had talks with Swissair, Lufthansa and Air France, which may order 20 of the new Airbus aircraft, "to see why it looked so good to them," Mr. Stanton said last night.

"If M. Bettelle now thinks we have the wrong data, it is for him to let us know," he said.

M. Bettelle said in London that British Airways used at the same time BA persisted in its false," saying that the 200-seat European aircraft was 10 per cent more expensive than the Boeing competition.

The A310 was not a direct competitor to the Boeing 757, a fact that could be checked by holding up development of the proposed joint European transport medium-range airliner, the JET, in versions with 120 and 160 seats.

The airline had specifically confirmed to Airbus Industrie its

Leyland hopes

Leyland Vehicles management

hopes to start negotiations early next week with local union

officials at its Bathgate truck

and tractor complex in Scotland

and to seek some understanding on

operation of plant agreements

and procedures.

A meeting yesterday between national union officials and senior company representatives was adjourned until the plant-level talks have taken place. The meeting did not discuss directly the strike by 1,500 machinists who have shut the plant.

Union officials told management firmly that industrial problems at Bathgate were largely caused by poor pay, which the unions claim is up to £10 lower than in comparable plants in the same area.

The management replied that it had "no desire or intention at the moment to close the plant."

Doubt was cast on the new partnership by M. Joel Le Thuelle, French Transport Minister.

He did not see how British Aerospace could be allowed to acquire 20 per cent of the capital of Airbus Industrie if at the same time BA persisted in its

false," said Mr. Bettelle.

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Electioneering charge in W. German spy case

BY JONATHAN CARR

WEST GERMAN authorities investigating spying allegations to-day said in the Bonn office of a parliamentarian belonging to the Ruling Social Democrat Party (SPD). They declined to reveal the result.

Simultaneously, the SPD accused the opposition of misusing the espionage investigation to discredit Government policy at home and abroad and thus gain an advantage in vital provincial elections.

The search, carried out by officials of the Federal Attorney's office, followed a brief special session of the Bundestag which voted to lift the parliamentary immunity of the SPD Deputy concerned, Dr. Uwe Holtz.

The vote was unanimous—thus with Dr. Holtz himself supporting the action and urging that the investigation be carried out as quickly as possible so that his name could be cleared. He has been a member of the Bundestag since 1972 and is chairman of its committee on development aid matters.

Today's action comes two days after official word that the per-



Anglo American Industrial Corporation Limited

(incorporated in the Republic of South Africa)

INTERIM REPORT AND INTERIM DIVIDEND

The following are the unaudited profits of the corporation and its subsidiaries for the six months ended 30th June, 1978, together with the comparative figures for the six months ended 30th June, 1977, and the year ended 31st December, 1977. These should be read in conjunction with the notes below:

	Half-year ended 30.6.78	Half-year ended 30.6.77	Year ended 31.12.77
R'000's	R'000's	R'000's	
Group profit before taxation	33 058	29 547	68 446
Deduct: Taxation and deferred taxation	10 922	11 517	24 392
Group profit after taxation	22 137	18 030	42 054
Less: Profit attributable to minority interests in subsidiary companies	621	585	1 463
Group profit attributable to Anglo American Industrial Corporation Limited	21 516	17 445	40 592
Cost of interim dividend No. 29 of 25 cents per share	6 715	5 910	
Number of shares in issue	26 861 947	26 861 947	26 861 947
Earnings per share cents	50.1	64.9	151.1
Dividends per share cents	25.0	22.0	70.0

NOTES:

- The Amic group's profits have increased as a result of improved results from Board International Limited and Seaw Metals Limited. With effect from 1st April, 1978 the chipboard division of Bruynzeel Plywoods Limited (Bruply) was merged with the chipboard manufacturing interests of the Associated Furniture Companies Limited group in a new company, Spankor Limited, with each party holding 50 per cent. Accordingly, the Amic group results for the half-year ended 30th June, 1978 include the operating results of Bruply's chipboard division only for the first quarter of 1978. The remaining activities of Bruply operated satisfactorily. The increase on 1st May, 1978, in sawn timber prices, together with the reorganization currently being undertaken by S.A. Forest Investments Limited, is leading to improved results.
- The Amic group's interest in Mondi Paper Company Limited (Mondi) increased to approximately 54 per cent with effect from 1st July, 1978, following the acquisition of a further 5 440 000 shares at a price of R1.60 a share. Consequently, the results of this new subsidiary will be consolidated in the Amic group results for the half-year ending 31st December, 1978. Mondi has recently negotiated the sale of the milling complex, fields and related assets of Melville Sugar Estates for a consideration of R7 000 000.
- It should not be assumed that the results for the year ending 31st December, 1978, will necessarily be proportionate to those for the first six months of the year because revenue from trading operations and investment income does not accrue evenly throughout the year.
- Particulars of the group's listed investments are as follows:

	At 30.6.78	At 30.6.77	At 31.12.77
Market value	R'000's	R'000's	R'000's
Book cost	82 280	54 571	65 152
Appreciation	53 226	50 709	50 324
4. The above figures exclude the following:			
(a) Net surplus on realisation of investments	283	—	128
(b) Profit on sale of land and buildings	—	—	162
(c) Provisions against loans and amounts written off fixed assets, unlisted investments and goodwill which are considered annually at the financial year end, and currency adjustments	—	—	875
5. Group commitments for capital expenditure at 30th June, 1978, amount to R7 420 000 (1977: R9 988 000).			

For and on behalf of the Board
G. W. R. Reilly | Directors
W. G. Bousted | Directors

Interim Dividend No. 29

Notice is hereby given that dividend No. 29 of 25 cents a share (1977: 22 cents), being an interim dividend for the year ending 31st December, 1978, has been declared payable to shareholders registered in the books of the corporation at the close of business on 29th September, 1978.

The share transfer registers and registers of members will be closed from 30th September to 13th October, 1978, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about 26th October, 1978. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on 17th October, 1978, of the rand value of their dividends (less appropriate taxes). Any such shareholders may however request to be paid in South African currency provided that any such request is received at the offices of the corporation's transfer secretaries in Johannesburg or the United Kingdom on or before 24th September, 1978.

The dividend is payable subject to conditions which can be inspected at the head and London offices of the corporation and also at the offices of the corporation's transfer secretaries in Johannesburg and the United Kingdom.

The effective rate of non-resident shareholders' tax is 15 per cent.

By order of the Board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries

per D. M. Davidson
Divisional Secretary

Registered Office:
44, Main Street,
Johannesburg 2001.
(P.O. Box 61061 Marshalltown 2107)

London Office:
40, Holborn Viaduct,
EC1P 1AJ.
2nd September, 1978.

Transfer Secretaries:
Consolidated Share Registrars Limited,
62 Marshall Street,
Johannesburg 2001
(P.O. Box 61061 Marshalltown 2107)

Charter Consolidated Limited,
P.O. Box 102, Charter House,
Park Street, Ashford,
Kent, TN24 8EQ.

Washington worried by Nicaragua

By Joseph Mann

MANAGUA, Sept. 1.—THE U.S. GOVERNMENT is reformulating its policy toward Nicaragua in the wake of the increasing violence and steadily worsening political situation in the state of Hesse next month—the first of a series which could upset the balance of power in Bonn.

The Government itself has given little information—so far, it has not been a major target for the opposition which unseated Herr Willy Brandt's "Ostpolitik" in the early 1970's. The opposition accuses him of favouring the Communist states too readily and of toying with the idea of West German withdrawal from NATO—suggestions which Herr Bahr has recently again dismissed as ridiculous.

The opposition now accuses Herr Bahr of warning his aide, Herr Joachim Broude-Groeger, that he was under suspicion before authorities could fully carry through their investigation. Herr Bahr denied this, saying his aide only learned of the espionage allegations when they first appeared this week—in the right-wing press.

Meanwhile, violence con-

tinued in the northern town of Matagalpa as the army pitted armoured personnel carriers and heavily armed soldiers against young rebels who control most of the city. During action yesterday troops advanced several times against rebel positions but made no progress.

Youths with pistols, light calibre rifles and home-made bombs held off greater numbers of National Guardsmen and confined them to the areas around the town's main square.

The army reported one soldier killed yesterday and six wounded. Rebel losses were not known but the 100-150 youths holding the town have been badly outnumbered since Monday.

In the capital, the anti-government strike which began last week ago reached its peak strength yesterday. Local businesses estimated that 80 per cent of commerce and 50 per cent of industry had been shut down yesterday. They expected the strike to gain further momentum.

However, public transport, banks and basic services were still functioning. Executives said they believed the strike could continue to grow if it managers to last the weekend.

Scattered violence occurred in Managua yesterday and several bombs went off last night. The city remained generally calm.

Moscow trial next week

By David Satter

MOSCOW, Sept. 1.—MR. JAY CRAWFORD, the Moscow representative of International Harvester, will go on trial next Tuesday on charges of using \$8,500 to buy 20,000 roubles and six samovars from Soviet black market operators.

Mr. Crawford, who was dragged from his car on June 12 at a busy Moscow intersection during a period of heightened tension between the Soviet Union and the U.S., told a Press conference if he will be one of four defendants. He said the other three did not contest the charges.

If convicted, Mr. Crawford faces a maximum term of eight years' imprisonment and five years' internal exile.

NOMINALLY wages rose by 5 per cent in the period April to

June compared with 22 per cent appeared to have played a role in the three earlier months and in the stepping up of wage increases in April, May and awards.

Companies which held

U.S. unemployment rate improves

WASHINGTON, Sept. 1.

BY JUREK MARTIN, U.S. EDITOR

THE U.S. UNEMPLOYMENT rate fell appreciably to 5.9 per cent of the work force in August, down from 6.2 per cent in the previous month.

Although unemployment has become a much less potent political and economic issue in recent months, the Carter Administration is likely to draw some encouragement from this latest reduction. Apart from the cut in the inflation rate in August of 160,000 was much smaller than the average monthly increase for the preceding 18 months (July of this year excepted).

However, the gyrations in the jobless rate since early summer argue against drawing too many conclusions from one month's change in itself.

The most likely option open to Washington is to press for mediation between the embattled Government of General Anastasio Somoza and the various Nicaraguan opposition forces. Potential mediators would be the U.S. Government itself, other friendly governments or an international body such as the Organization of American States (OAS).

Meanwhile, violence continued in the northern town of Matagalpa as the army pitted armoured personnel carriers and heavily armed soldiers against young rebels who control most of the city.

The main lines of his policies are already well enough known and there is no outward sign of substantial concessions on offer. Only last night the Israeli leader received with pride that he had support from three-quarters of the Knesset (Parliament) on five key points.

These were: Israeli retention of East Jerusalem, no return to 1967 frontiers, no minor rectifications of these borders, a continued Israeli army presence along the river Jordan and continued stationing of Israeli troops on the West Bank area.

In the same speech, Mr. Begin also turned down a suggestion canvassed in the American Press, for US troops to be posted in

the West Bank as guardians of Israeli security.

Government sources reported that Mr. Moshe Dayan, the Foreign Minister, has been exploring the possibility of changes in the 26-point peace plan to make it more palatable to President Anwar Sadat.

One suggested change was dropping the requirement for Israeli troops in the West Bank to retain responsibility for public order, as well as general security.

Another was that West Bank and Gaza Arabs should be granted a larger share of self-rule than at present envisaged.

Mr. Begin has said that he will put forward "new formulations" to his peace plans. It seemed unlikely that he had anything in mind that would come near President Sadat's demand for full Israeli withdrawal to 1967 frontiers.

One idea that seems to have been quietly dropped is Mr. Begin's proposal for a partial peace agreement with Egypt.

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HOME NEWS

I.T.O. T.F.A.P.

LABOUR NEWS

Labour policies breed despair, says Thatcher

By RAY PERMAN, SCOTTISH CORRESPONDENT

DIGITAL QUEUES and the frustration which simply affect the statistics of Labour's socialist paradise were breeding ground for disaster and despair in the future, Mrs. Margaret Thatcher, the Conservative Party leader, said last night.

Earlier she had told party workers that the Tory General Election campaign would be based on the themes of reducing taxes, maintaining law and order and the defense of democracy. But in a speech to Young Conservatives in Glasgow at the end of her two-day Scottish tour, she launched a fierce attack on the Government's industrial record using the slogan "Labour isn't working." The caption on the controversial Conservative advertising poster:

"A political philosophy based on detailed government intervention and regulation does not turn the wheels of progress—it堵es them. Socialist planners so often get it wrong."

One of the most important tasks of the next government would be to build the economic conditions in which genuine jobs could be created.

"I am not talking about more artificial jobs; they may be better than having nothing to do. Never accept thrashing today what we really want are jobs that not only create extra work, but tomorrow."

It was not difficult to see why "Unemployment can't be the reason for long-term measures people," she added.

Weekend flight delays of up to 34 hours

By LYNTON MC LAIN

MANCHESTER AND GLASGOW airports are likely to be among the worst hit this weekend as passengers face delays of up to 34 hours because of continued industrial action by French air traffic controllers.

The dispute has cost Thomson Holidays £500,000 in accommodation, coaches and extra flights.

But last night the travel organisation said it planned to re-route holidaymakers from the Costa Brava, Spain, and from northern Italy.

Meanwhile, a delegation from the Association of British Travel Agents met French traffic controllers in Paris.

Radiochemical Centre exports increase 5%

By DAVID FISHER, SCIENCE EDITOR

THE RADIOCHEMICAL CENTRE, Group sales as a whole rose by 52 per cent, although part of the factoring radioactive drugs and chemicals, last year, increased by 83 per cent of its sales which totalled £22.7m.

In the previous year exports accounted for 78 per cent of sales.

Writing in the annual report published today, Sir John Hill, chairman, pays tribute to the "strength and commercial resilience" of the overseas market division which has produced sales of £27.2m.



CENTRO DI FIRENZE
PER LA MODA ITALIANA



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FLORENCE

15-18 September 1978

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PALAZZO DEI CONGRESSI

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SPRING-SUMMER 1979

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Centro di Firenze per la Moda Italiana
109/11, Via Faenza - 50123 Firenze (Italy)
Tel (055) 219331/2/3

Trade balance shows £289m surplus

By MICHAEL BLANCEN

THE TURNAROUND in Britain's dramatic improvement in the trade balance last year was even greater than had been indicated previously, according to the latest and complete figures published in the Government's annual Pink Book.

The current account surplus is now put at £289m, a sharp swing from the previous year's deficit of £1.14bn. The estimates published previously indicated that the surplus was only £163m, while the 1976 deficit was put rather lower at £55m.

The main reason for the revisions lies in a rather better performance last year on the invisibles account, compared with lower figures than previously indicated for 1976.

Invisible earnings for 1977 are now put at just under £2bn. This still shows a marked downturn from the £2.45bn recorded in 1976, but not as great as had appeared from the figures published so far.

It is likely that the new evidence on invisibles will lead to some upward revision of the estimates used so far for invisible earnings in the first quarter of this year. In recent months the current account figures have been worked out on the basis of invisible earnings running at the equivalent of £1.20m a month.

The Pink Book also highlights the major contribution made by North Sea oil and gas to the cause of the narrowing of the margin between borrowing and lending rates in the Euro-currency markets.

The biggest City contribution came as usual from the insurance industry. Net earnings of £809m were more than £100m better than in the previous year and double the level recorded in 1975.

Each section of the market, the companies, Lloyd's and the brokers, contributed to the improvement.

The banking sector, however, saw a decline in net earnings from £416m to £355m.

Outside the City, the main contribution came again from tourism. Tourists and other visitors to Britain spent £2.15bn, almost double the £1.15bn spent abroad by UK resident.

The net contribution of travel to the balance of payments went up from £627m to £1.05bn.

Civil aviation provided a surplus of £24m last year in spite of operational difficulties which meant that overseas earnings by UK airlines did not grow as rapidly as payments to overseas airlines.

The £347m earned from overseas transport was nearly matched by payments abroad.

Consulting engineers increased their overseas earnings by 43 per cent to £305m, and overseas earnings from royalties of £420m were £100m higher than payments made abroad.

This has probably closed the market for sports models.

Narrowing

The breakdown of the invisible earnings shows that the City's net overseas earnings totalled £1.75bn. This was a slight fall from the previous year's exception £1.84bn, but well up on the £1.25bn recorded in 1975.

Most sources of City income increased between the two latest years, but earnings from commodity trading were almost halved at £109m. There was also a sharp decline from £24m to £7m in the net interest received from the banks from overseas be-

cause of the narrowing of the cause of the narrowing of the margin between borrowing and lending rates in the Euro-currency markets.

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Registrations

In the January-July period moped registrations dropped 55 per cent to 23,821 on the same months last year, according to the motor cycle registration information service.

Scooter registrations, a small part of total business, advanced 3 per cent to 1,841 during the period.

Attendance at the show in London was yesterday set to pass last year's 12,700.

In the first six days 107,310 paying members of the public turned out and on Monday the attendance reached 22,700, the highest ever for the recent series of shows.

Price rise sought for gases

By Our Consumer Affairs Correspondent

AIR PRODUCTS, the U.S. manufacturer of industrial gases whose European operations are based in London, is seeking to raise its prices for a range of industrial gases by 6 per cent.

However, the Price Commission has decided to investigate the proposed rises and during the three months this is likely to take the company cannot raise prices unless it can show that its profit margins have been hit by the price freeze.

Air Products is the second largest supplier of industrial gases in the UK, after British Oxygen. Gases for which Air Products is seeking a price rise include oxygen, nitrogen, argon, hydrogen and carbon dioxide.

Monopolies probe clears Armitage

By OUR LABOUR STAFF

THE EXECUTIVE of the National Union of Railwaysmen decided yesterday to submit a claim for a 35-hour week to the Railway Staffs National Tribunal, the highest tier in the industry's guideline-breach dealing.

The Commission says that, while prices of coloured and luxury sanitaryware were higher than cost would justify, the company was not making excessive profits.

It also ruled that there was no price collusion among the major manufacturers in the industry.

This ruling was, however, challenged by Mr. Roger Opie in a minority report.

Armitage Shanks' claim to customers "have any significant distortions upon competition between the industry's customers, mainly builders' merchants."

Judge's will

Sir HAROLD DANCKWERTS, of Lincoln's Inn, London, a former

Lord Justice of Appeal—and the oldest judge in England when he retired in 1969—left £29,526 gross yesterday. He died in June, aged 90.

The Commission says that, while prices of coloured and luxury sanitaryware were higher than cost would justify, the company was not making excessive profits.

Final decision on the venture rears with Mr. Victor Matthews, chairman of the Express Group, who is concerned about the profitability of the new paper.

The Express management, however, has made it clear that union co-operation was the most crucial element affecting that decision, and the indications are that this will be forthcoming.

The speed of the announcement is partly due to the need which the Express sees to establish the new paper in the northern market before the Sun begins printing in Glasgow, probably from April.

Further meetings with the union in London yesterday are also said to have been successful.

The co-operation of printers and journalists in London may be required to advance the production of the new paper.

Philip Livesey, of Cooper Bros., higher quality products is met formerly belonging to Chester Lybrand, said yesterday that from the Continent. There is there was no longer any work also a shortage of skilled labour, to feed into the factory, which such as exists in Wrexham.

A number of reasons are being advanced in the trade why the apparent initial interest in the plant by potential buyers has not been taken any further.

First, although the Wrexham factory produces a suit substantially cheaper than a Chester Barrie, it is geared to manufacture a product which is likely to have a price tag of more than £100. Many retailers expect to buy a suit from the manufacturers which they can sell at less than £100 after their mark up of about 100 per cent has been added.

There is a shortage in Britain particularly for men's suitings, where much of the demand for

Record turnout at Motor Cycle Show

By KENNETH GOODING, INDUSTRIAL CORRESPONDENT

RECORD ATTENDANCES at the International Motor Cycle Show, Earls Court—which ends today—have increased the industry's confidence about 1979 sales even though the statistics for this year paint a fairly gloomy picture.

In the first seven months of 1978, motor cycle registrations fell by 1 per cent to 56,276 compared with the same period last year.

The trade blames the poor summer weather—because sun always boosts sales.

Total two-wheeler registrations are bound to fall severely from the 256,373 recorded in 1977 because mopeds (under 50cc) sales have been badly affected by the legislation, introduced last July, restricting these machines to a maximum speed of 30 mph.

This has probably closed the market for sports models.

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Price rise sought for gases

By NICK GARNETT, LABOUR STAFF

LORRY DRIVERS in nationalised freight companies and Road Line among other companies, together with drivers at the Freight Liners part of British Rail,

It gives drivers of the heaviest trucks £53 for a normal working week, together with consolidation of pay supplements in line with private haulage. A claim for an extra week's holiday was refused.

Lorry drivers, who in numerical terms are one of the most significant groups to breach Phase Three, are expected to mount a formidable challenge to the present 5 per cent pay guideline.

The Transport Workers have fixed their claim for rise of more than 20 per cent. Petrol tanker drivers, whose average pay is about £115 a week, are submitting substantial claims to the oil companies.

Railmen decide to go for 35-hour week

By OUR LABOUR STAFF

THE EXECUTIVE of the National Union of Railwaysmen decided yesterday to submit a claim for a 35-hour week to the Railway Staffs National Tribunal, the highest tier in the industry's guideline-breach dealing.

The tribunal sits under Lord McCarthy, the industrial relations expert, in his capacity as an independent arbitrator.

The railways weekly paid staff currently work a 40-hour week and salaried staff 38 hours. The claim applies to both groups.

Mr. Sid Weighell, the T.R.U. general secretary, has also

asked Mr. Peter Parker, chairman of British Rail, for an investigation into why the railways cannot recruit sufficient staff in a number of grades.

Mr. Weighell's letter says there are a number of grades "in which the problem of recruiting and training staff is acute" in which excessive overtime appears to be the established practice.

There are for instance, acute shortages in the permanent-way grades, of overhead linemen, signallers and of certain railmen, particularly shunters.

Dockers call off strike

DOCKERS at Southampton decided yesterday to end an eight-day strike over safety procedures.

Mr. Dennis Noddings, deputy port director at Southampton, said: "This was a needless dispute. The men have lost wages, and the port's reputation has suffered."

The strike was the latest in a number of disputes which have cost the port hundreds of thousands of pounds. About a dozen container ships were routed elsewhere, and passengers on the liners QE2 and Canberra had to handle their own Board. This enabled the shop luggage.

Scientists' pay talks fail

TALKS yesterday on a dispute about a productivity bonus involving managers and scientists at Laporte Industries failed to reach a settlement. The dispute will be referred to the Central Arbitration Committee if further talks set for September 11 also fail.

The meadow had also received assurances about the future from the British Transport Docks Board. This enabled the shop luggage.

Technologists, which has led to a work-to-rule at the company's plants in various parts of the country, arose when Laporte withdrew an 8 per cent productivity bonus.

The union had won salary increases of 18 per cent, up to £1,000 a year, at a Central Arbitration Committee hearing called by the Union under the Employment Protection Act.

British aerospace industry expects big Boeing deals

CONTRACTS WORTH many millions of pounds will become available for UK aerospace companies over the years ahead for work on the airliner, as well as in supplying parts for the Rolls-Royce RB-211-335 engines that will power the new aircraft.

As a result of the Government's plan to get British Aerospace back into the European Airbus Industrie group to help develop the A-310 version of the Airbus (in addition to continuing to build the wings for the B-2 and B-4 aircraft), the UK will not now officially take up Boeing's original offer of risk-sharing collaboration on the 757.

But there is nothing to prevent Boeing offering sub-contract work to companies in the UK.

It will need to do so to ensure that it can get enough factory capacity, skilled labour and machine tools to keep its two big new development programmes on the 767 and 757 airliners up to schedule at a time when its production rate on existing 727, 737 and 747 jets is being raised to reach 24 aircraft a month by late 1978.

Boeing will spend up to \$750m in developing the 757, on top of \$1.5bn for the 767, and quantity production will take more cash. Much of the development money will come from major U.S. risk-bearing partners, which will now move in quickly to fill the gap left by the UK Government's rejection of Boeing's collaborative offer.

But there will be enough direct sub-contract work available to keep many UK avionics, metallurgical and other companies busy for many years on what may amount to a 1,000-aircraft programme by the end of this century. Some UK companies may even independently be prepared to put up risk-bearing cash in order to get a share of the business.

One major contract to be awarded is that for "podding" the RB-211 engines for the 757—encasing each engine in a cowling, with nylons in attach it to the aircraft's wings. Short

Brothers and Harland of Belfast of France and Deutsche Airbus of West Germany (which controls the aircraft's engine, Messerschmitt-Bolkow-Blohm and VFW-Fokker) have been talking quietly for months on these matters, and plans are already far advanced for the UK to take up to 30 per cent of the work on the A-310, including the wings.

British Aerospace said yesterday that it could make a significant contribution to Airbus because of political failure to agree, the existing Airbus partners on the Continent would still be able to undertake the work on the A-310, including the wings.

At the industrial level, the companies also recognise the long-term benefit to the A-310 programme of offering the aircraft with a variety of engines, the Rolls-Royce RB-211 in its Dash 22 version of over 40,000lb thrust as well as the U.S. General Electric CF6-45.

This follows the trend increasingly adopted by other aircraft makers of offering a choice of engines, which helps to widen the potential market. Many airlines world-wide who currently have Rolls-Royce engines would be more interested in the A-310 if they could be fitted with GE Pegasus engines instead of the GE

One argument put forward by the French Government is that by permitting British Airways to buy the 757, whilst also wanting British Aerospace to get a share of the A-310, the UK has already virtually stabbed the A-310 in the back, because the two aircraft are competitive in world markets.

This is carrying the argument too far. It is true that both aircraft are intended for short-to-medium range, but that is a big market with many facets. The 757 is designed for ranges of up to around 1,500 miles, and is a narrow-bodied airliner, aimed at replacing the ageing 727 in the mid-1980s, whereas the A-310 is a bigger, heavier, wide-bodied airliner with a range of more than double that of the 757.

While the 757 can carry up to 200 passengers in a high-density version, its normal payload is set at about 170, whereas the A-310 is intended to carry 200-plus.

The three companies agreed

UK aerospace companies will be kept busy for many years to come as a result of the Government's plan to get British Aerospace back into the European Airbus group. In this News Analysis, Michael Donne looks at the prospects.

shelf or swiftly adapted for the Industrie as a full partner, "and could help ensure that in this sector of the business it (Airbus Industrie) develops into one of the decisive groups to emerge in the remainder of the century."

But at the same time, British Aerospace also wants to see a much closer interest and effort by the main elements in UK and European aviation — manufacturers of airframes, engines and airlines — that would prevent a repetition of this summer's situation when British Airways, Rolls-Royce and British Aerospace all took differing views on future activities.

The target date of January 1 for official UK Government resumption of membership of the French and West Germans on the A-310 is intended mainly to give time for the political discussions and the legal work to be completed. It is not likely to prevent these inter-company discussions from continuing.

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British Aerospace, Aérospatiale

Wool-textile industry 'could save millions'

The wool-textile industry could save £50m a year on its annual energy bill by more efficient energy management, a report prepared by WIRA, the technical centre for the wool-textile industry, said yesterday.

The report is the first on various sectors of industry to be published by the Industry Department's Energy Unit.

Opportunities for energy saving vary from reducing heat losses from loading bays to high-cost projects such as heat recovery equipment and boiler plants.

Companies are able to take advantage of the Government's energy survey scheme, which provides a £75 grant to cover the cost of a one-day visit by an approved consultant or half the cost of an approved extended visit.

Another scheme provides financial help for any work done to improve buildings or increase thermal efficiency of boilers.

Agreement to limit trouser exports

BY RYHS DAVID

AN AGREEMENT limiting Singapore's rapidly growing trouser exports to the UK has been negotiated by the EEC after representations by the British Government.

The restriction applies to 300,000 garments this year, roughly the same level as in 1977. Quotas will also operate in the years 1979-82.

The agreement has been negotiated in response to pressure from UK textile manufacturers who have been concerned at a sudden surge over the past two years in Singapore's exports.

In 1976 exports were only 16,000 garments, but with imports in the first six months of this year already reaching 170,000, total deliveries were set to ex-

Council has ring road scheme for London

By Ian Hargreaves
Transport Correspondent

PLANNERS FROM the Greater London Council and the Department of Transport have devised an EBM scheme to improve the orbit flow of traffic between Edgware in north London and Orpington, south east of the capital.

The agreement has been reached secretly to London borough councils and neighbouring county authorities, would involve a new bridge east of Walton-on-Thames. The route runs between the M25 outer orbital motorway, now under construction, and the North Circular Road.

There was embarrassment in the GLC at the leaking of the proposals yesterday, and the Department of Transport at first denied any knowledge of the scheme before agreeing that two Ministry officials had worked on the confidential report.

According to a covering letter on the report from the council's planning and communications policy committee, the study report "has been agreed with the Department of Transport."

Miss Shelagh Roerts, chairman of the planning committee, said that the reason for confidentiality was the desire to avoid creating blight or raising false expectations about a series of proposals which may never be adopted. She hoped a full council decision on the matter would be possible next year.

The plan, details of which run to 43 pages, is far from a return to the £2bn motorway box plan abandoned in 1973. It suggests a series of traffic management schemes, improvements and new construction to channel a flow of traffic from Edgware through Harrow, Northolt, east of Heathrow, Hampton Court, Sutton, Croydon and Orpington.

If the plans are approved, the council will almost certainly seek special Government financing for certain sections of the route, but Miss Roerts thinks that the council could find the resources without special aid in the period 1983-83 if necessary.

Although the scheme is very much a toned-down response to previous criticism of grand GLC road designs, it will certainly provoke considerable opposition. Its unofficial publication is well timed from the road objectors' point of view as a crucial public inquiry into the Swanley Sevenoaks section of the M25 outer orbital opens on Tuesday.

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ARBUTHNOT OFFER THE LAWSON HIGH YIELD FUND

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* Highly successful. Fund already exceeds £12 million with over 8,000 investors.

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Capital Share 1. We wish to inform the shareholders that the Capital Share is now available for application.

Monthly Income Plan 1. The monthly income plan is now available for application.

Open-Ended Plan 1. The open-ended plan is now available for application.

Units available for application.

We wish to request the Income Tax Act for the application to the United Kingdom.

Statement 1. We wish to inform the shareholders that the statement is now available for application.

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Dividends Paid 1. The dividends paid statement is now available for application.

MARCH JUNE SEPTEMBER DECEMBER

Established 1883.

Dividends Paid Statement

STORY TOP

THE WEEK IN THE MARKETS

Equities back below 500

The Financial Times Industrial Ordinary Index is back below of £25m SW FR borrowings. A barrier some 3 weeks ago. Demand throughout the week has been very thin with markets. Clearly the institutions are playing a waiting game during the uncertainties over the possible election date. Gilt yields were equally unsettled in a week that saw further rises in the U.S. prime rates.

Reed Paper cuts

Reed International is still wielding the surgeon's knife as it sets about repairing its balance sheet. Negotiations are now under way to dispose of the group's 87 per cent stake in the troubled Toronto based Reed Paper.

So far this year Reed International has sold its joint venture interests in British Columbia and a 63 per cent stake in Nampak the South African packaging operation for a total of \$65m.

It takes no more than a quick glance at Reed's balance sheet to discover the reasons behind this rapid disposal programme.

LONDON
ONLOOKER

At the end of March this year the group showed total net borrowings of £83m compared with shareholders funds of £178m.

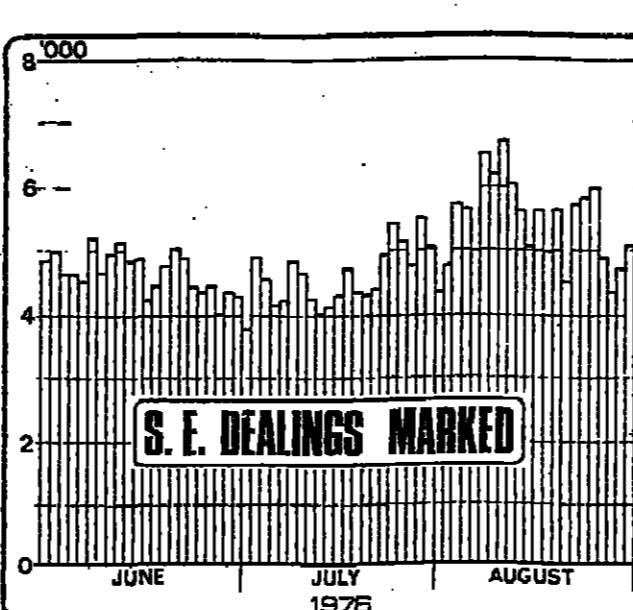
Since then the disposal of the Nampak stake has released £24m specifically to repay foreign currency borrowings. On top of this Reed has said that

company, Worcester Controls, last June. It is hardly surprising that it held off until the holiday season was over, and the rise in the market since early in July has been good enough to prompt a number of rights issues. The weakness in recent days would have little bearing.

Two other issues from Initial Services (£7.6m) and Howden Group (£2.4m) appear to have been timed so that recent buoyant preliminary announcements have had time to work on the market price. In both cases the rights offer price is similar to the market price prior to preliminary profit announcements last month. As for the small Dorada issue the timing of that appears to have been dominated by the half year figures. So this week has been a flush in the pan.

Burmah down under

Burmah Oil has sold its remaining Australian hydrocarbons exploration and production interests to a local consortium for almost £21m. The consortium, headed by West Australian property man and yachting personality, Mr. Allan Bond, has agreed to pay £3m immediately, £8m in the next three months, a further £1m in May and the balance will be handed over in November, 1979. The consortium will get substantial shareholdings in three companies that control 46.6 per cent of the Cooper Basin oil and gas joint venture, which supplies natural gas to Sydney and Adelaide and has proven reserves of 3 trillion (million million) cubic feet of gas and about 314m barrels of oil and natural gas liquids. The Bur-



man interest has been on the impact of a split on Laing's market for some time but the sale is regarded more as a tidy success of the reorganisation in getting up operation than as a final highlighting the scale of its part of the massive asset disposal programme the group embarked on in 1973-76. The assets released by the Cooper basin sale will be invested elsewhere within the group.

Laing reorganisation

The market clearly agrees with John Laing and Son that the sum of its parts is worth more than the group as it stands. Since May, when Laing first announced plans to create separately quoted companies for its property and construction activities, its shares have risen by 80 per cent, from 133p to 213p at the close last night.

The commercial logic of the move, although sound, is of less immediate relevance than the

success of the reorganisation in getting up operation than as a final highlighting the scale of its part of the massive asset disposal programme the group embarked on in 1973-76. The assets released by the Cooper basin sale will be invested elsewhere within the group.

Taylor Woodrow, George Wimpey and Richard Costain all have property businesses large enough to warrant a separate quotation and in looking at these shares Laing's trail blazing efforts have not been lost on the market. Whether any of these groups actually follows the Laing route remains to be seen. But Laing's move can do the sector nothing but good as dealers ride the goodwill created by the rediscovery of invisible property giants among the builders.

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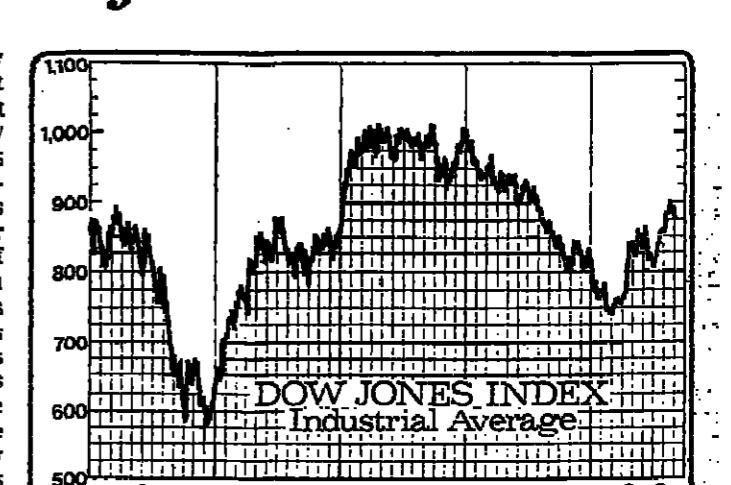
TRADITIONALLY as New York's hot and steamy August drew to a close, Wall Street gallops towards Labour Day weekend like a pack of harts to a cooling stream. The passing of Labour Day, which falls on Monday, promises cooler weather but also a renewal of investment activity and as a result the stock market is usually in a buoyant mood as this weekend approaches. This is the week when historians remind investors that in the three trading days before Labour Day weekend the Dow Jones Industrial Average has gained in every one of the past 17 years.

History however, has been stood on its head, this week and this month. August has been anything but a slack month and it will be surprising if average daily trading volume has not been in the region of 30 million shares. The rally which began last April has maintained its momentum during the month which has seen the Dow repeatedly beating the 900 barrier. Rising interest rates, which continued this week with an increase in banking prime rates to 9.4 per cent, have not really taken the heart out of the market but

casino gaming were in tremendous demand. The reason, it house, went a step further will be recalled, is that, with yesterday to cool some of the investment ardour and announced that it would require 100 per cent of the purchase price of five gaming companies' stocks—Resorts International, Playboy, Ramada Inns, Caesar's World, and Bally Manufacturing. Becker's previous cash requirement had been 50 per cent and the firm offered no explanation for its move beyond "our management feels it in both our interest and that of the investing public."

At least some of this week's speculative fervour seems to stem from a report Merrill Lynch issued on the gaming industry ten days ago. The report did not recommend any stocks, except by implication through a list of leading companies which did not include the likes of Caesar's World, Resorts International or Playboy. Although Merrill Lynch stressed the need for discrimination, it arrived at the influential conclusion that the gaming industry had the potential to be one of the high growth segments of the economy and that the stocks of some of the large companies in the industry may be attractive longer term investments.

CLOSING PRICES	
Monday	894.88
Tuesday	880.20
Wednesday	880.72
Thursday	876.82
Friday	879.33



The luck of the draw

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The people of Florida, where the decline of Miami Beach as a tourist haven is a source of local concern are to vote on legalised gambling on November 7 and this prospect is not diminishing the attraction of not only gambling stocks but also of one of the main carriers into Florida, Eastern Airlines.

While some stockbrokers see the extraordinary interest in gambling stocks as encouraging because it is an indication of the return of the individual investor to the market, there is concern elsewhere. Much of the buying is seen to be indiscriminate and lacking in any kind of appreciation of the relative prospects of the various stocks. Mr. Robert Linton, president and chief executive of Drexel Burnham Lambert sent out an internal memo to his salesmen this week stressing the need to provide customers of a thorough understanding of the risks involved in buying these companies which are already in shares." But AG Becker, Friday

they have made it more uneasy and this partially accounts for the fact that the market is not going into Labour Day weekend on a rising curve.

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YOUR SAVINGS AND INVESTMENTS

SOTON

Wooed for your money

LAST WEEK'S surprise announcement of an improvement in the terms on various National Savings investments did not please the building societies at all; but as a glance at the table suggests, it's difficult to see why they were so put out. The 14th issue of National Savings Certificates apart—and the terms there haven't been changed at all—the opportunities presented by National Savings are still marginally less attractive than those offered by the building societies, at any rate so far as basic-rate taxpayers are concerned. Of course it's true that National Savings evidently set on retaining their share of the market, the building societies cannot afford any reduction in their deposit rates—but then, with the inflow of funds somewhat limited, their liquidity run right down, and

INVESTMENT

ADRIENNE GLEESON

grannies of the land off to raid their other savings; after all, as the Government keeps on assuring us, the rate of inflation is now well down into single figures, and it's possible to get a higher nominal return elsewhere—in building society accounts, for instance. However, it's worth bearing in mind, first, that the return on some of the so-called "granny bonds" comes free of tax; and, second, that the signs point to an upturn in the rate of inflation in the autumn. If that materialises, then, the granny bonds will be a good investment.

At first sight the increase in the limit on holdings of index-linked retirement certificates to £700 (from the beginning of October) isn't likely to send the

building societies at all; but as a glance at the table suggests, it's difficult to see why they were so put out. The 14th issue of National Savings Certificates apart—and the terms there haven't been changed at all—the opportunities presented by National Savings are still marginally less attractive than those offered by the building societies, at any rate so far as basic-rate taxpayers are concerned. Of course it's true that National Savings evidently set on retaining their share of the market, the building societies cannot afford any reduction in their deposit rates—but then, with the inflow of funds somewhat limited, their liquidity run right down, and



A star rising in the East

EVERTONE LOVES a roaring bull market. But people often forget that the bubble generally bursts.

There is surprising support in the City, however, for the view that the star now rising in the East as a long life yet before it.

It is surprising because the current boom in the Hong Kong stock market revives some more pleasant memories of a similar and even more striking bout of euphoria back in 1972-73.

At that time the local Hang Seng index climbed to staggering heights (over 1,700 points) and then plunged almost 80 per cent within a few weeks.

This year Hong Kong has been the world's best performing stock market, with the Hang Seng rising some 65 per cent since March and touching a five-year high of almost 700 points last week.

This time the pace of growth has been less spectacular, but by European standards at least, by no means pedestrian. Could it be followed by the same sort of crash? Not so, say the London experts.

Thursday's announcement of a joint property venture in the New Territories between companies from mainland China and Hong Kong interests, high-

now been placed, and it is advising investors to switch away from the more risky second line shares to main-line stocks like Jardine, Matheson, Swire Pacific and Hutchinsons.

Another stockbroker with a special interest in Hong Kong, W. I. Carr, agrees that the market is much more firmly based this time, citing the high level of activity and the large volume of two-way trading. Carr is also recommending the market leaders.

Harvey Black, the manager of M&G's Far Eastern Fund (which is 50 per cent invested in Hong Kong) says half of the £200,000 per week coming into this fund is placed there.

His portfolio policy, however, is to look for smaller, second-line Chinese-owned companies which he believes will benefit from the developing Chinese connection.

The Hong Kong market is historically one of the most volatile in the world. The small investor would, therefore, be before the collapse.

They also point out that this ill-advised to put money into a market much more individual stock, unless it is on the doorstep.

What further differences distinguish the present from the developing Chinese past?

Stockbrokers Hanco Govett stress the liquidity argument.

In 1972-73 the warning signs should have been spotted well

before the collapse. They also point out that this ill-advised to put money into a market much more individual stock, unless it is on the doorstep.

However, there are plenty of

Hanco Govett feels that much Far East trusts which have

of the UK institutional money funds with a significant Hong Kong exposure.

HONG KONG

TIMOTHY DICKSON

AN OFFER FROM M&G

RECOVERY FUND

66 M&G's Recovery Fund is something of a doyenne in its class: a stunningly consistent performer...
FINANCIAL TIMES
The top performing unit trust of 1977 was M&G.
Recovery Fund which jumped by 115.9 per cent.
SUNDAY TELEGRAPH 11/78

TWO WAYS TO INVEST

To: M&G GROUP LTD, THREE QUAYS, TOWER HILL, LONDON EC3R 6BQ
TELEPHONE: 01-526 4588 This section to be completed by all applicants.

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FOUR ADDRESS

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SIGNATURE

OR £12 Complete this section if you wish to start a Life Assurance Policy by paying monthly premiums (minimum £12 a month).

I WISH TO INVEST £ each month in the M&G Recovery Fund. I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

I understand that my payment is fully provisional until the company will not assume risk and formal notification of acceptance has been issued.

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Are you an existing M&G Plan Holder? Yes / No

If you can sign Part I of the declaration below, make it and sign Part II.

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The present declaration is given in the presence of a solicitor or barrister.

Part II: I declare that the contact between me and M&G Trust (Assurance) Limited is for the sole purpose of opening a new account and that I have read and understood the relevant parts of the M&G Trust (Assurance) Limited's Terms and Conditions of Business.

Signature

DATE

Registered in England No. 149328 Reg. Office as above.

M&G THE M&G GROUP

RETURNS AVAILABLE

Institution	Min./max. deposit	Term	Tax position on interest	Return % grossed-up to basic-rate taxpayer
National Savings				
National Savings Certificates*	£5-£3,000	4 years	Tax free	11.5
14th issue	£10-£700+	5 years	Tax free	Varies with rate of inflation
Index-linked retirement issue*	£5-£10,000	5 years	Gross	8.5**
British Savings Bonds	£5-£10,000	5 years	First £70 tax free	5.0
National Savings Bank Ordinary account	£50 available on demand	1 month	Gross	9.5†
Investment account	£1-£50,000	1 month	Gross	9.5†
Building societies††				
Deposit shares	25p-	7 days	Tax paid	9.6
Ordinary shares	25p-	On demand	Tax paid	10.0
Term shares	£1,800-	3 years	Tax paid	11.5
Clearing banks				
Deposit accounts	£1-£10,000-£25,000	7 days	Gross	7.0
Bank branch deposits††	£10,000-£25,000	7 days	Gross	8.44
		3 months	Gross	8.875
		1 year	Gross	9.25
FIA				
	£1,000-£25,000	3-10 years	Gross	10.75-12.25
Local authority deposits††				
	£500-	1-5 years	Gross	8.75-11.5
Gilt-edged stock††				
Exchequer 13% 1980	—	—	Net	12.55
Exchequer 12½% 1992	—	—	Net	12.48
Treasury 15½% 1998	—	—	Net	13.09
* Repayable at demand, but £4 per £100 tax-free bonus at maturity. † From the beginning of October 9.5% from November 20. †† Rates vary; check on application.				

Carrying commuters

THOSE OF you who habitually share a car, they don't permit give the chap down the road a lift to the station in the morning can now ask him—if you have the face—to make a contribution towards the whole cost of the journey. But don't assume, if you habitually carry a carload of commuters, and leave still others panting in your wake, that it is worth your while investing in a larger vehicle.

For while the provisions of the Transport Act 1978, which came into force last week, permit you to recover your operating as well as your petrol costs only if the carrier does not from those with whom you make a profit.

A bonus builder

AS THE table on the left indicates, if you want a really good

10.05 per cent tax paid—equivalent to 13 per cent gross to a basic-rate taxpayer. You can pull your money out of the scheme at any time, up to £250 in cash; otherwise by cheque); and the only snags, as far as it is a snag—is that you can't put money in likewise; you can't add to your original investment.

Private portfolios

APOLOGIES ARE due to

Antony Gibbs Financial Services. They assure me that, far from spurning the portfolio of less than £50,000, they will be only too happy to take it on; and that, in fact, they place no minimum at all on the size of portfolio they will look after. They do say, though, that the scale of their fees is such that it probably wouldn't be sensible for a man with much less than £20,000 to ask for their service paid. If that rate were to—unless he enjoyed a very high income, and could set a large period, then the return on the slice of it apart to boost his Bonusbuilder would amount to capital.

has owed much to the considerable support Chieftain

advisers.

The Trustee of Chieftain Income & Growth Trust is Midland Bank Trust Company. The main duties of the Trustee are to hold the title to the Trust's investments, and to check that all purchases made by the Trust are in accordance with the Trust Deed; to ensure that income is distributed to the unitholders properly; and to approve advertising and literature.

TAX ADVANTAGES

You can sell your units on any normal working day at the prevailing bid price. You will normally receive a cheque within seven working days of receipt of your renounced certificate.

The 1978 Finance Act allows that unit trusts will pay tax on capital gains at the privileged rate of only 10%.

When you sell units you will receive a tax credit of 10% against Capital Gains tax. Therefore on unit trusts you should have no tax to pay on profits up to £3,000 on sales in any one year and your maximum liability is limited to 20% of your gain. On sales before 5th April, 1979 the tax credit is even higher.

CLOSING DATE

Until 22nd September, units will be available at a fixed price of 25p each. Your application will not be acknowledged, but you will receive a certificate by 3rd November, 1978.

Fill in the coupon, or talk to your financial adviser without delay.

GENERAL INFORMATION

After 22nd September units will be available at the daily quoted price and yield published in most newspapers.

There is an initial management charge of 5% included in the price of units. There is also an annual charge of 3% (plus VAT) which has been allowed for in the quoted yield.

The Managers will pay the standard rates of commission to recognised professional advisers, who are invited to ring 01-283 3933 for further details of Income & Growth and other Chieftain trusts.

Income is paid net of income tax, but this can be reclaimed by non-taxpayers.

Distributions and a report on the fund are made half-yearly on 28th February and 31st August. Units bought now qualify for the distribution on 28th February, 1979. This offer is not applicable to Eire.

The Managers of the Trust are Chieftain Trust Managers Ltd., Chieftain House, 11 New Street, London EC2M 4TP. Telephone 01-283 2652.

The Directors of Chieftain Trust Managers Ltd. are P. L. Potts, M.A. (Chairman); R. J. D. Eats, M.A., M.B.A.; J. D. Gillett, B.Sc.; I. H. A. Hazel, F.C.I.S., A.L.F.K. Tod.

Gilt-edged management by a discount house

THE FURROW already more, who may choose to go for the object of the exercise. Allen Harvey and Ross reckons that as interest rates stand at the moment, Allen Harvey this one will appeal particularly to those seeking a mind to the needs of foreign institutional buyers: one of them has just come up with a package which knocks National Savings Certificates off the cockpit hat.

Sussex Mutual's Bonusbuilder owes something, in its conception, to National Savings Certificates, in that the bonuses added over the four years of its life rise progressively as it approaches maturity. The charges are as follows: 1.1 per cent initially, and 1 per cent per annum thereafter, on the mainland portfolio management services; and 1 per cent initially, and 1 per cent per annum thereafter, on the Jersey-based services.

The second service is available to offshore residents, and is run out of the Channel Islands, and 1 per cent initially, and 1 per cent per annum thereafter, on the Jersey-based services.

One of these is mainland-based, and is available only to Here the minimum investment thereafter, on the Jersey-based services.

Stockholders are advised to withdraw the investor with £10,000 and required is £1,000, and income alternative.

payable gross, quarterly—

PROPERTY

The price of fame

BY JOE RENNISON

THE RECENTLY revealed In 1955, four years before the Noroton river and its scandal—may be cause celebre he died close to the age of 90. and while his startling spiral-shaped Guggenheim Museum is offering this remarkable identification of the Constable was being erected in New York, property for \$1,500,000 and pictures brings to mind some Lloyd Wright (1869 / 1959) and Edward Cave, the Corporation's comparisons with domestic designed a house in New architecture. With the pictures Canaan, Connecticut, for an with the house and its the fact that some now are Australian client. The name of shown to be by the artist's son the house "Tirranna" is hour by road or rail from New Lloyd will wipe a few noughts Aboriginal for "running water" York City) the purchaser will off the market place price—even refers to the fact that the acquire the original Lloyd Wright built-in' and free standing fittings, his fabric designs and carpet layout and his important 15-piece dining room architecture? Probably not.

What price, for instance, Frank Lloyd Wright? He is hailed as one of the greatest men of the century in his field. one of the seminal forces shaping architecture internationally. You personally may not like his work but it is a name to conjure with.

Catalogue of the Architecture of Frank Lloyd Wright as in 1967, by one of his closest colleagues, has 16 rooms (including seven bedrooms and baths); caretakers' accommodation; central heating and air conditioning; artesian well intercom system; stereo wiring glass to create a house, swimming pool and pond wedged to

The house, which was added to in the Lloyd Wright style, in 1967, by one of his closest colleagues, has 16 rooms (including seven bedrooms and baths); caretakers' accommodation; central heating and air conditioning; artesian well intercom system; stereo wiring

The living room (24 x 28 ft)

and dining room (26 x 18 ft) course of the River Glyme at interesting and historic features have handsome Philippine Palace by English architect Lancelot "Capability" Brown in the 1760s, for the 4th Duke of Marlborough.

Okomira and Middelmeer also century paneling and beams.

The magnificent Great Hall has a superb hammer-beam roof, inglenook fireplace with massive oak bressumer, a teak window containing some very old heraldic glass. There are four reception rooms, playroom, five principal bedrooms, four bathrooms and dressing room and four secondary bedrooms and three bathrooms.

Many of the rooms have fine beamed A self-contained staff wing has four rooms and a bathroom. A pair of caskets is also included in the sale.

The garden and grounds are of significant horticultural interest with an abundance and variety of specimen trees, shrubs, a rose garden and orchards. There is a semi-circular avenue of limes dating from early this century when the property was the residence of the Duchess of Marlborough.

There is a heated swimming pool, tennis lawn, an Elizabethan barn, a pre-15th Century granary, stabling and garaging.

Would this house have its value substantially decreased if it was found that it was in fact, by an obscure pupil? A little maybe, but not much.

Would the price of the following change if it was discovered that it was not by that famous medieval architect William the Hairy—but by his feeble-minded son Henry the Bald? Not bit

it—when the piece is a gem of its age authorship does not matter.

Adam Faith, who is looking to purchase a farm in the Home Counties, has instructed Knight Frank and Rutley and Peredur to sell Crowhurst Place, Crowhurst. If he sold the place under his original number of Terence Melhams would that change the price? In this case, almost certainly not: The agents are quoting a price in excess of £500,000 for this outstanding medieval moated manor house, with about 25 acres, only 25 miles from London.

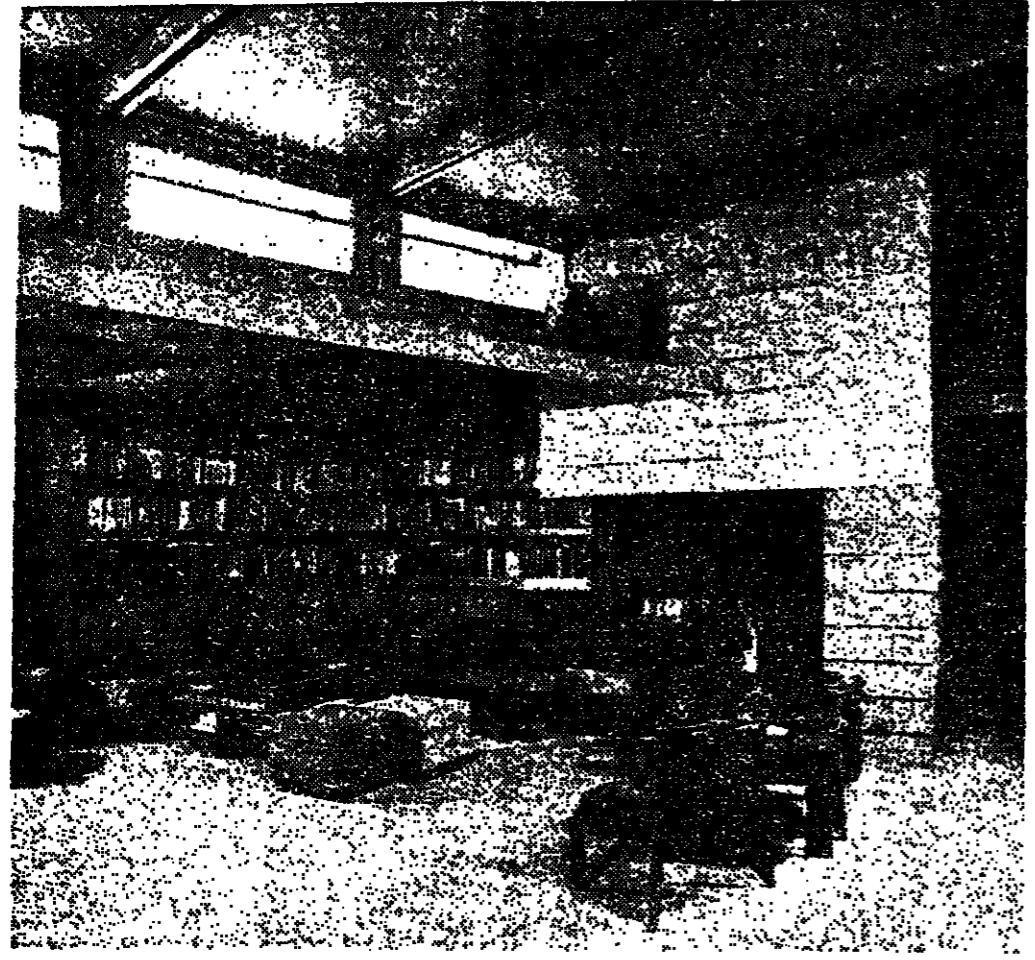
Dating from the early 13th century, the house is listed Grade I as being of architectural and historic interest and has many rare examples of medieval joinery. It stands on a half-acre island surrounded by a moat. One of the many

with the changes made in the by a moat. One of the many

excellent paddocks with some woodland. The property is surrounded by open farmland providing extensive views.

What price Mr. Melham's former home, a council flat in Acton?

"The Architecture of Frank Lloyd Wright—A Complete Catalogue" by William A. Storrer (MIT Press, Cambridge, Mass., U.S. and London).



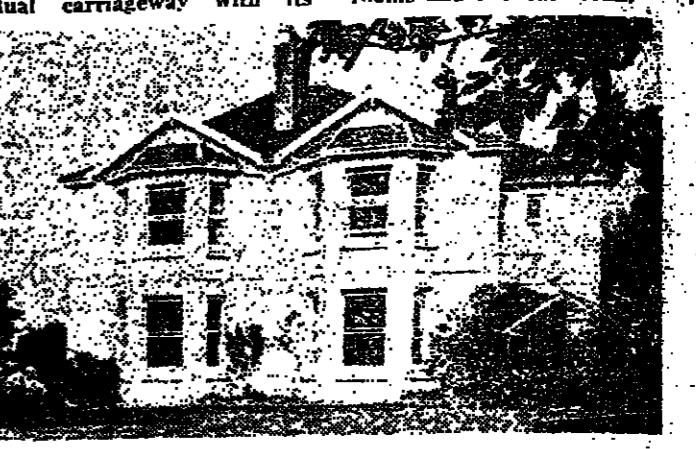
Living room of "Tirranna" with built-in furniture by Lloyd Wright



The Japanese water garden and arboretum surrounding the house



Two imposing houses in South Devon, both dating from the early 1900s and having sea and coastal views, are being auctioned next month by Betteworths of Torquay. On September 20, Betteworths will auction "Leaside," a five-bedroom, wisteria-clad family house in two acres of grounds in Thurlestone, a village five miles from Kingsbridge and almost equidistant (20 miles approximately) from Torquay and Plymouth. Thurlestone is on the South Hams peninsula, an area of outstanding natural beauty where development is strictly controlled. The house is only 13 miles from the A38 dual carriageway with its



Officials who do not pay

WE ARE ALL only too familiar with those imprinted stamps that look like a crown inside a TV screen, with the words "Official Paid," that come on application or perforated initials envelopes from the inland as a security endorsement. Stamps with the initials of the departments. Behind those Board of Trade (BT) and the Stationery Office (SO) appeared about 1880 and were the precursors of stamps overprinted with the name or initials of various departments. The franking privilege, enjoyed by government officials and members of both Houses of Parliament, came to an end in 1840 with the introduction of overprinted OFFICIAL and IR. Penny Postage. Even Queen Victoria surrendered the franking privilege which monarchs had enjoyed since the reign of Henry VIII.

The franking system had been grossly abused but some form of free postage was still required. The answer was specially printed envelopes for the Houses of Parliament and those issued in January 1840, constitute the earliest official stationery. The Post Office originally considered issuing adhesive stamps to government departments for use on their mail. These stamps were identical to the Penny Blacks sold to the public, in every respect save one, in the upper corners, where the ordinary stamps had tiny stars, the official stamps bore the royal initials VR. Although inscribed "One Penny" it was never intended that they should be sold. The scheme was never implemented and in 1843 the vast bulk of the VR Penny Blacks were destroyed. A few examples were used for cancellation experiments by the Post Office but most of the three persons for stealing and surviving specimens in unused condition, came from circular sent out to all postmasters when

STAMPS

JAMES MACKAY

set House, but this practice was soon stopped. Later, it became illegal to possess unused examples of the stamps and even used specimens were extremely elusive, since they were mostly confined to internal correspondence and officials were required to deface the stamps and destroy them after use.

Nevertheless, leakages of both mint and used stamps continued until 1903 when criminal proceedings were taken against Post Office but most of the three persons for stealing and surviving specimens in unused condition, came from circular sent out to all postmasters when



Items from the finest collection ever formed of Great Britain's "Official Stamps" which is to be offered for sale as 313 lots by Stanley Gibbons in London on October 5. The auction is expected to realise at least £125,000.

stamps were introduced in May use in March 1904 as a result. A few are known with this case. Shortly before this, the 6d Edwardian stamp was overprinted for use by the Board of Inland Revenue.

Though never officially issued six specimens are known to exist in postally used condition. It came to light in the Peaches lawyer's office during a wartime salvage drive and is one of the gems of the Stanley Gibbons sale of British official stamps on October 3. Its probable value today is in excess of £10,000, which must be a handsome profit from petty means. Two other used examples are included in the sale.

Thereafter government offices were obliged to purchase stamps from the Post Office, but this rule was gradually relaxed, first by permitting the use of brass or rubber stamps bearing facsimile signatures of certain officials, and later by allowing office stamps of various kinds. These franks were applied to mail which then received "official paid" date-stamps struck in red ink, and this practice continues to this day with an eye to their future appreciation.

PROPERTY ESTATES AND FARMS: INVESTMENTS: SHOOTING: COUNTRY PROPERTY: OVERSEAS PROPERTY:

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MOTORING



Traditionally, Russian-made Ladas have been bought by motorists seeking a strong and, hopefully, reliable family saloon at a modest price. This week the importers, Satra Motors, have moved decidedly up market with the 1600 ES. In essence, it is still the same Soviet version of the old Fiat 124 but equipped to Western executive standards (hence the description ES) with cloth seats, more instruments, stereo tape player, radio, alloy wheels and steel-belted radial tyres and a vinyl roof. Whether this will be enough to attract

buyers at £2,399 remains to be seen. The 1600 ES I tried seemed excessively low geared and had the kind of steering lorry drivers might go on strike over though Satra assured me it was not typical. Its surfelt of top gear flexibility would, however, go down well with people who tow caravans, a job the ordinary Lada 1600 at £2,666 would do just as capably because it has the same engine but fewer goodies. For those of more basic tastes, the Lada 1200 and 1300 saloons and estate cars continue to be available.

Battle for the tyre market

BY STUART MARSHALL

BEFORE THE end of this year small belts in the sidewall, car sit too low on the ground and upsetting the overall Michelin and Pirelli for leadership in car tyre technology. From the motorist's point of view, it doesn't matter which firm wins, because two new super-tires—Michelin's TRX and Pirelli's P6—provide a previously unknown combination of grip, steering response and ride comfort.

These wide, low profile super-tires are, of course, radials. The crossply tire, except for replacement purposes on elderly cars, is as good as dead. Where these super-tires differ from normal steelbelted radials like the Michelin XZX, Dunlop SP4 or Goodyear GS005, to name three of the best sellers, is in their construction.

Michelin, who are so tight-lipped about new developments that they make the Kremlin look like Liberty Hall, won't say how it is done. Pirelli, on the other hand, cheerfully explain that they have put a belt of nylon on top of the steel wire under-tread belts. This shrinks as it warms up and tightens down on to the steel ones, keeping them precisely in place under stress and allowing them to be made of thinner wire. That in turn means the Pirelli P6 tyre rides more softly and shock absorbently over rough roads

in the last year I have tried four cars on P6 (the Rover 3500, Fiat 132-2000, Ford Fiesta Ghia and BMW 733i) and just one, the Granada "S" on TRX. These super-tires, 60 or 65 per cent as high as they are wide, really do make good cars handle better and feel safer.

Unfortunately, their introduction also makes the whole business of understanding a tyre's characteristics and knowing what to buy more confusing than ever. This summer it had reached such a pitch that the British tyre makers tried to explain the meaning of the latest sidewall markings to the trade. Their statement ran to six closely typed pages. Even so, it said nothing about remoulded tyres, downgraded new tyres or "seconds," which are a subject to themselves.

It is really no exaggeration to say that tyre buying today is no task for the amateur. The best way through the jungle is to go to a specialist. There are about 2,500 of them in the National Tyre Distributors Association. Competition ensures their pricing is keen, many are elaborately equipped and all of them do at least know what they are talking about.

SEA WATER and salt-laden air unerringly find the weak points in marine electrical systems. Corrosion takes hold. Current leakages and short-circuits develop.

All too often the skipper finds himself with a flat battery and no engine after promising to take the family out. When most manoeuvres were carried out under sail a dead motor was not considered a serious problem. But those days it is sufficient to spoil a trip. Some marinas and moorings are simply too crowded for a boat to be handled in and out safely without auxiliary power.

The strain upon ship's electricity has been increased by the great variety of electrically powered "goodies" that boat-owners now find it necessary to take to sea with them. Tape players, fridges, portable televisions, radio-telephones, even deep freezers on some of the bigger yachts, all take a toll of the batteries. It is not unusual to find that the electrical equipment carried demands a power store well beyond the capacity of the accumulators fitted by the builders.

I was plagued by battery trouble for two cruising seasons. In spite of every effort

to keep the two 70-ampere-hour capacity lead acid accumulators in good condition and well-charged things went badly wrong, repeatedly and persistently. Tides were mis-led and tempos frayed because the engine could not be started at crucial moments.

Relentless as a maritime Sherlock Holmes I traced the problem to a combination of

been using two new forms of battery with markedly better results. They are the AC Delco maintenance-free Freedom battery, and the special marine battery made by Varta of West Germany.

Car batteries are built down to a price—and the prices paid by manufacturers for batteries fitted as original equipment are very keen indeed. The battery companies point out that car batteries do not have designed into them the necessary requirements for functioning well while left neglected and undercharged for long periods in wet battery bilges.

Both the Varta and the Freedom batteries overcome most of the objections that one makes against lead-acid batteries by means of particularly high quality construction. This stand up to marine conditions. A secondary problem was that the starter motor on the engine was worn and would not spin when the voltage across the batteries was low.

A replacement starter motor was fitted and this year I have

high. "There are professionals from all over the world playing. Level par gets you about 30th."

He says that his good friend Martin Puxon, the former Walker Cup player, had qualified for the Carrolls in a play-off which finished on the ninth extra hole, the implication being that after undergoing that kind of pressure, no one would have much left for the actual tournament.

Cricket introduces its players gradually, through second teams and county matches, and it is perhaps significant that Lyle himself has decided not to play in the Swiss Open this week.

"I'm going in for a 10,000-mile service," he says. "In the last nine holes in the Carrolls, I stopped trying to score and just tried new ways of hitting the ball. I'd got to the stage where I'd have one bad hole and not be able to see a way of getting the shots back. I suppose I'm stale."

For Lyle to be stale, at 20 and in the middle of his first season of professional golf, indicates something wrong somewhere.

Lyle has found that the courses are tougher on the professional circuit, with pins in tighter positions and the rough

grown-up and up. He also says that standards are extremely

Yacht engines are rarely run for long enough periods to keep the ship's batteries charged reliably. Something more is needed. For ocean crossings there is much to be said for one of the water charging systems which employ water propellers to drive a generator. Charges of 10 amps can be obtained by these systems although they do slow the boat down little.

For weekend cruising I favour a "belt and braces" system. A 300-watt output Honda generator giving a charge of 8 amps is sufficiently small to be carried in a locker. When running it is so quiet that it cannot be heard more than 15 feet from the yacht. It can put life into a dead battery within a couple of hours.

To keep the batteries charged between sailing weekends I am now using a windmill charger.

Apart from giving one a sense of ecological superiority this is a most useful device. It gives a tiny trickle charge, never more than one-quarter amp, but plenty to keep two big batteries cheerful while the boat is not in use. My installation is the Aeroccharge Mark V made by Selectromarine of Poole. The windmill is less than 18 inches in diameter and plugs into a mounting on the deck. In winds above 10 mph it buzzes away merrily.

Plastimo Manufacturing (UK) of Chandlers Ford supply a different design—the Eodyn, which is popular with French yachtsmen. Designed to be mounted at or near the masthead to catch the best of the wind, it is very neat. From the deck it looks rather like a tin of baked beans spinning round.

A precocious talent

courses, nor indeed by the week, year as a professional, and Ken with neither of them having every player encounters.

The problem goes deeper even remotely the same quality than that, and I suspect that the feelings as Lyle,

is now being gradually far reached at least those levels?

submerged is the system British I believe the answer is that

golf uses to produce, or fall throwing the talented amateur

straight among the professional

GOLF

ROGER PAUL

speaking, is something no other game demands of its budding stars. Football nurses its teenage talents, resting them from time to time, even though their season is limited and their "tournament" only 90 minutes

It is a hard life on the professional circuit. Early in the season, Lyle, then 18, had three days at home in six weeks, a schedule which would make demands on the toughest of jet-setters.

The introduction of young amateurs to pro golf needs to be handled delicately, and it is a real pity we have nothing resembling the U.S. college system, which prepares its

youngsters ideally for the pressures of professional sport.

In the absence of that, we should welcome the idea of a three-year undergraduate course in sport, announced this week, involving the study as well as

the practice of the subject.

It should add to our limited

store of knowledge and could well prevent those less precocious talents that we do possess burning themselves out before they have barely started.

Small belts in the sidewall, car sit too low on the ground and upsetting the overall

response and improving the car's stability under very hard cornering. Michelin's TRX will be available at extra cost on all GL and Ghia Granadas and not just on the sporty Granada GLS, which succeeds the austere-trimmed "S" model.

The TRX, at present obtainable only on the Fiat 132-2000, will be seen this autumn on some up-market cars including the six-cylinder Opels and the Saab Turbo. There will also be sizes for cars like the Ford Fiesta. When P6 is offered as an optional extra the price difference should be much less than Ford charge for Michelin's super-tire on the Granada. The reason is that TRX needs a special wheel whereas P6 goes on a standard wheel, though of course the Pirelli P6-tire is twice the price of the normal tire.

Pirelli's P6, at present obtainable only on the Fiat 132-2000, is a masterpiece of engineering, with a belt of nylon on top of the steel wire under-tread belts. This shrinks as it warms up and tightens down on to the steel ones, keeping them precisely in place under stress and allowing them to be made of thinner wire. That in turn means the Pirelli P6 tyre rides more softly and shock absorbently over rough roads

Victorian train robbers

GRAHAM GREENE began collecting Victorian crime stories at the end of the war.

"In those early days . . . he in the UK by Constable, and I was always singing their praises to collectors in the field, a happy hunting ground was Foyle's shall continue to do so for a second-hand bookshop.

I long as they publish books that wouldn't like to say how many of the books now listed . . . listed, that is, in the catalogue of the collection he formed with Dorothy Glover. Victorian Detective Fiction, published by the Bodley Head in 1966 . . . were discovered there at prices lower than five shillings."

There is still a chance that a search along the Charing Cross Road and its environs might prove fruitful in this field but it is a slim one. Like everything else detective fiction of a good vintage is over-collected. It is still a chance that a

search along the Charing Cross Road and its environs might prove fruitful in this field but it is a slim one. Like everything else detective fiction of a good vintage is over-collected.

It is still a chance that a

prints of Conan Doyle and his modern plagiarists, there is a solution to be found from the admiring Dover. I do not refer to the unwilling detective of prisingly perhaps as it was in the tradition of Sergeant Cuff, that name invented by Joyce Porter, but to Dover Publications Inc. of New York. A The two later books "anticipate the interests of the dubious and dingy hotels Edwardian-Georgian detective through offices and back streets novel that came into existence of Paris in the period of General Victor Hugo. The first is "The Passenger from Scotland Yard" and that the likely thief, is found to probably not, but if he did he in the Dover reprint. But he feels would surely acknowledge its that "they are much inferior author as one of his literary forebears."

Who was H. F. Wood? Even

Having now read it myself, I Mr. Bleiler is not completely sure about that. In his introduction can only say it is a book he mentions two Woods he with complete absorption. The was not, before concluding he sentences may be a bit long, was Harry Freeman Wood, a newspaper man born in Bradford in 1850. Certainly a surprisingly bitter passage in the book about the debt eminent politicians owe to journalists stand up to marine conditions. A approach enables them to pack a lot of power for their weight. Then, their sturdy internal construction enables them to withstand the knocks and sometimes wild motion of a yacht at sea. The Freedom battery was worse and would not spin when the voltage across the batteries was low.

A replacement starter motor was fitted and this year I have

through some of the more

assorted carriages of men are

discussing a diamond robbery in London; when the train arrives

at the Gare du Nord one of

them, the likely thief, is found

dead. A report is filed on the

logistics of the Channel crossing

and was one of the first crime

writers to discover the potential

of a railway journey for his

craft.

Clearly he knew well the

logistics of the Channel crossing

and was one of the first crime

writers to discover the potential

of a railway journey for his

craft.

The cause of that small boy's

death lies in the ignorance of the thousands who are accu-

mated to treat the sea as a

benign plaything, instead of as

the constantly unpredictable

and tireless adversary that it

really is. And the best public

device we have for overcoming

its dangers. The latest

was a hired motorboat contain-

ing a 60-year-old couple and

their two small grandchildren,

all our schools should arrange

for life-jackets, oars, to spend part of the last few

nor distress signals. When

their motor failed they were

installing a proper respect for

left drifting helplessly in the sea into their pupils. They,

strong tide towards Portland then, might be able to educate

until one of my sons chanced their parents.

Lessons for a life

THE EERIE whizzing followed by two loud bangs clearly started many people on holiday in Lyme Regis for the first time. But when they have stayed in this West Dorset resort for a few summer days they have usually learned the meaning of the double explosion.

So they come running from all directions, reaching the 700-year-old harbour around the same time as the local men summoned by the rockets to launch the inshore lifeboat.

It last went out about two and a half hours ago. Now looking eastward across the bay, I can see a Royal Navy Wessex helicopter circling a couple of hundred feet up. Below it the lifeboat and one or two other craft are moving slowly backwards, and forward a few hundred yards off the beach of Charmouth some three miles distant, lurching occasionally as they are hit by the fresh offshore wind gusting through

gusty patches. Nor was the drowned boy the only one who had not been taught that, when in trouble at sea, the last thing one should ever do is to leave hold of one's boat.

But the same killing ignor-

ance is not confined to children

Over the past four years Day-

spring alone has towed back to

harbour half a dozen boatloads

of holidaymakers who had gone

out to sea with, plainly, no

idea of its dangers. The latest

was a hired motorboat contain-

ing a 60-year-old couple and

their two small grandchildren,

all our schools should arrange

for life-jackets, oars, to spend part of the last few

LEISURE/FASHION

All change for Autumn

BY LUCIA VAN DER POST



This military-style dress (note the padded shoulders) complete with matching covered "Sam Browne" belt sums up the new autumn look. From main branches of Wallis shops, the dress comes in beige, lilac and wine and is £25.95.

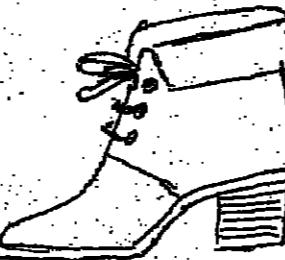
WELL THERE'S no point in beating about the bush. The news from Paris is bad. Just as we've all got our layered look together, just as our wardrobes are bulging at the seams with skirts that tone with waistcoats that go with broad-shouldered jackets that are softened by frilly blouses, the designers have decreed, wouldn't you know, that the look now is straight and narrow. And what's more the verdict was unanimous.

Speaking personally, it's not just the clothes I'm worried about, it's the shape. Straight and narrow I have never seen and I don't think my prospects of making it this time round are any better. The bulletins from Paris inform me that designers have decreed that women "will have shoulders, bosoms, a waist, rounded hips and long shaped legs this winter." Where, I would like to know, can we buy them and how much?

While the news for women is bad, the men are in for a lovely time. The fashionable lady is going to be this utterly desirable shape and then she's going to be "chic, well turned-out and sophisticated" during the day. At night can you wait? she's going to be a "vamp, ultra-feminine and fun-loving."

Certainly what is nice and what I would think almost all women will welcome is that the naive peasant look is out and a much more knowing, more sophisticated look is coming to take its place. Anything that smacks of the ethnic or the pastoral won't do. Lines are much sharper with the general shape being rather like an inverted triangle, starting with broad-shoulders, often in rather military style, and tapering to slim skirts or narrow-ankled trousers. The narrower skirt (for which, it goes without saying, hips will need to be narrower, too) is a bit shorter, stopping somewhere between the knee and mid-calf.

Colours too are a-changing. Whereas last year we were all tuned in to soft camels, creams and rusts, this year there is a great deal of heathery purple, plum and aubergine about. Black is back and very smart. Hair at the Paris shows was much less wild and much neater for years. Hats of all sorts were shown—from tiny beanies



This short boot by Rayne, rejoicing in the name of "Mayfair," sums up the new season look. In brown calf only it is £29 from all Rayne shops.

to very glamorous pill-boxes. Leather is the material of the year though this time it's much, much softer and gone, you'll be pleased to hear, is the Nazi storm-trooper look so fashionable in modish circles last year.

Short boots are already to be seen in all the best shoe-shops and the one indispensable accessory this year is a "Sam Browne" belt. If, like most of us, you have in your wardrobe a fairly new tweed hacking jacket, some soft frilly blouses and a couple of full skirts, there is not a great deal you can do. Smock dresses can be worn belted with the said "Sam Browne" belt. Shoulders can be padded. Team the hacking jacket with a straight skirt and the same belt. Don't whatever you do, wear lace peeping below your skirts.

For evening you can hardly



do better than to find a little black dress, the more it hugs you and the narrower it is the better. All the glamorous touches from the thirties are back—little veils, cigarette combs and baroque jewels can be worn in the hair, gloves and fox furs, muff and glittery jewellery were all part of the great Paris fashion show.

Though generally a less cluttered look is coming in most of us will still have plenty of last year's separates in our wardrobe.

The drawing on the left shows how they can now be put together. Team your full skirt with the softest most feathered, most lacy-collared sweater you can find—this one from Miss Selfridge has frilly drawstring cuffs, neck and waist and comes in white, hyacinth or rose (£13.95).

If you're young enough flatish shoes and socks will still look good. On the right in the drawing is another way of using separates—the full skirt is worn over trousers and the waistcoat has a distinctly hand-knitted look to

it. It is large, with dropped shoulders and chunky wooden buttons but the whole effect is softened by the lace-trimmed frilly blouse. Everything from Miss Selfridge branches.

Above, is the lady look in sweaters by a very exclusive designer—Courreges, who opened his own London boutique at 15 New Bond Street, London, W1 today. More famous for his rather sporty look, Courreges with his new collection has shown himself well in tune with the softer, more feminine look of today. The jumper come in black or white, 100 per cent acrylic, and is £42.00. The trouser and the waistcoat has a wool/nylon white skirt.

*Meandering in mid Wales*

THE RIVERS Severn and Wye are each born as a marshy trickle within a couple of miles of each other in the middle of a bleak moorland high up in mid-Wales. When they next meet, the Severn is some 200 miles older, and the Wye has found a very different route indeed to Chepstow near which it joins its old neighbour for the last few miles into the Bristol Channel.

But it is about their common birthplace and its surroundings that I want to write now, for it is an area through which many pass and rather few linger. The sea and all its attractions are still a few mountainous miles away. A whirling of sinuous roads infiltrate secluded, sparsely inhabited valleys, sometimes wandering beside twisting reservoirs whose waters eventually flow out through the taps of Birmingham. Submerged beneath one of them is the house where the 18-year-old Shelley brought his young wife Harriet in 1910.



Rhayader High Street

It's an area for sightseeing and scenery, where England merges into Wales rather more gently than it does at times elsewhere, and where you cross and re-cross Offa's Dyke with rather less awareness of the long term side-effects imposed by that remarkable boundary of Mercia's 8th century king.

Our visit was in mid-winter,

in a rented cottage in the upper Severn Valley. Llanidloes, the first small town on the young Severn was our nearest shopping centre, and a pleasant one. But, in fact, we revictualled just as often at Rhayader on the young Wye (major livestock market on Wednesdays), crossing the mountains by one of the less obvious labyrinthine little roads and wallowing in fine scenery in the process. Thus we came upon the somewhat fragmentary but beautifully sited ruins of 12th century Abbey Cwmhir, traditionally the burial place of Llywelyn, last of the Welsh princes; and, only a few miles to the north-east on the main A483, the lonely little church of Llanfannau, most un-

expectedly sheltering a glorious 16th century carved rood screen.

One day we devoted to Hafren Forest, Hafren being the Welsh name for the Severn. This is Forestry Commission land, rather less military in the arrangement of some of its over 13 million trees than some and, through it, half a dozen marked walking trails of 3-8 miles in length are easy to follow, providing you are suitably shod, the longest being to the source of the Severn itself. All the walks start from a car park on an unclassified road between Llanidloes and Staytill.

We spent another couple of days hunting castles. The first took us west to the coast, approaching it initially via a minor mountain road down to Machynlleth. This small market town has a curiously comfortable Victorian look about it, though it has strong associations with one of Wales' most romantic and enigmatic figures, Owain Glyndwr (Owen Glendower to us). In the early 15th century, his fierce and

bold stand against the English led, according to tradition, to the setting up of a parliament which sat at Machynlleth. Though this Welsh Westminster was of short duration, it even appointed its own ambassadors to France and Scotland. The ancient Parliament House in the main street is said to be where the meetings were held.

From here we made or less followed the river Dovey, then turning south by a "B" road along the coast, not always

enhanced by caravan sites, join the land, continuously inhabited since the 13th century, left of Aberystwyth's 13th century castle by the sea, but the splendid series of 16th-19th century rooms and furnishings and the formal gardens laid out in the 18th century have been little altered since.

A few miles to the south there's yet another castle at Montgomery, though the views from its rocky perch are more impressive than the rather scanty ruins. With its strategic situation, this has been the site of Neolithic, Iron Age and Roman fortifications as well, but now the little town clustered about its steep market place is mainly Georgian and very pretty.

Offa's Dyke, whose 167 miles

is now a waymarked path, passes just to the east of both Montgomery and Welshpool and, beyond it, rise the hills of Shropshire. The Severn winds circuitously round to avoid them before heading south, now an English river on its way to the sea.

We found another narrow gauge railway while castle-hunting to the east, the 5½-mile Welshpool and Llanfair Light Railway, linking Llanfair Caereinion with Welshpool, just west of Welshpool. Powis Castle, one mile south of Welshpool, further information: Wales was closed at the time, but by Tourist Board, Llandaff, Cardiff, all accounts, is one of the finest

CF5 2YZ.

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CONVERTIBLE STOCK 1983

NOTICE IS HEREBY GIVEN that
warrants in the amount of £1,000,000 due on
30 September 1978, amounting to £1,500,
representing 50,000 shares, will be posted
on 28 September 1978 to shareholders
registered on 18 September 1978.

By order of the Board
CHARTER CONSOLIDATED LIMITED

D. S. Booth,
Secretary.

Registered Office:
40 Holborn Viaduct,
London EC1N 2DB
1st September 1978.

TRAVEL SYLVIA NICKELS

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Welshpool and Llanfair Light

Railway, linking Llanfair Caereinion with Welshpool, just west of Welshpool. Powis Castle, one mile south of Welshpool, further information: Wales

was closed at the time, but by

Tourist Board, Llandaff, Cardiff

CF5 2YZ.

Source: Thomas Cook.

Top value for fuchsias

WHAT MARVELLOUSLY good fuchsias are. It is true that in this inclement summer they started to flower outdoors a little later than usual, but by July they were getting into their stride and are now at the height of their loveliness which will continue at much the same level throughout September and, with luck, will not be finally extinguished until late October. Leaf stalks, with the bottom display can extend over five very soft, nipped out. The base months and, given enough artificial heat to maintain a minimum 13 deg. C, for maybe rooting powder but even this is another two months beyond not essential. Cuttings will that it would be hard to think actually root if stood in shallow water but it is better to insert equal this continuity and certainly none that are also as easy to grow.

For fuchsias will thrive in all soils that are reasonably well fed and are never allowed to become really dry for long. They grow almost equally well in sun or shade, but flower more freely in good light and, under glass, only require the lightest of shading in summer to protect their leaves and flowers from scorching.

Fuchsias are also among the easiest of plants to propagate, since cuttings will root at any period during which the plants are growing and that depends mainly on the temperature available since, if it never falls below about 10 deg. C, the plants retain their leaves even in winter and are never entirely

dropped. A few miles to the south there's yet another castle at Montgomery, though the views from its rocky perch are more impressive than the rather scanty ruins. With its strategic situation, this has been the site of Neolithic, Iron Age and Roman fortifications as well, but now the little town clustered about its steep market place is mainly Georgian and very pretty.

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Source: Thomas Cook.

GARDENING

ARTHUR MELLIER

HOW TO SPEND IT

Country Style

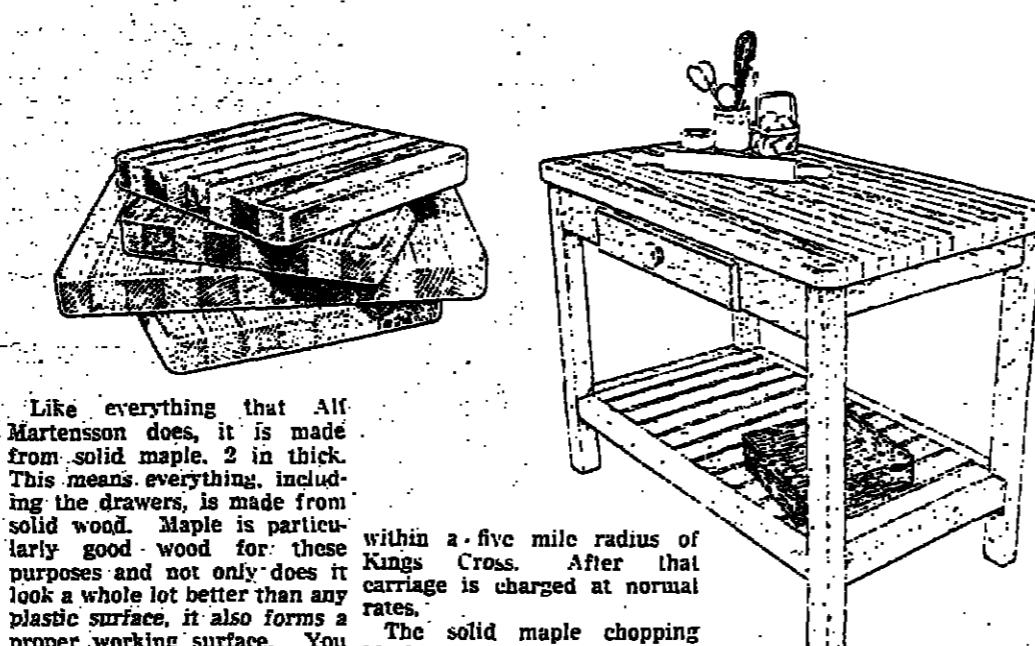
IF YOU can't afford the price about it. Though the insides of true solid wood, made by the units are in melamine—of appearance—exclusively the working surface which is of Classic Onyx, a remarkably marble-like laminate top) that show are of wood. There are solid timber doors and matching end-panels. The usual range of standard units are available, which should be able to be adapted to most kitchens. Base units are made in two "front to back" sizes (600 mm and 500mm)—this means that the 600 mm size Town and Country version of their self-assembly lines has a distinctly solid, country look about them.

Grovewood have been in the self-assembly market for some time but the new Traditional Town and Country version of their self-assembly lines has a distinctly solid, country look

size is useful where space is so difficult to find—that of a more limited. Floor units come great pleasingness of appearance finished by hand, then the rustic, honest look need not be beyond you. You can always put it together yourself. Grovewood produce a range of self-assembly kitchen units which somehow manage to have something of an authentic farmhouse air about them.

Grovewood have been in the self-assembly market for some time but the new Traditional Town and Country version of their self-assembly lines has a distinctly solid, country look

Many readers may remember that earlier in the year I wrote about Alf Martensson's solid maple dining-tables. Alf Martensson is an American who has retained a belief that all truly fine furniture should be made from solid woods and, being an American, maple is to him one of the most beautiful woods around. There was a huge response to these tables; many readers finding them just the sort of thing they had hoped to find for years but until they discovered him, had despaired of finding.



Like everything that Alf Martensson does, it is made from solid maple, 2 in thick. This means everything, including the drawers, is made from solid wood. Maple is particularly good wood for these purposes and not only does it look a whole lot better than any plastic surface, it also forms a proper working surface. You can chop on it, roll out pastry on it and then just wipe it off with a damp cloth. The wood is finished in edible vegetable oil and from time to time, after it has been scrubbed to keep it clean, it should be polished up with vegetable oil, rather in the way that one treats a salad bowl.

The kitchen island unit is 30 in. by 48 in and 36 in high, which after much experimenting with numerous cooks has proved to be the optimum height. It can also double as a dividing functional work-surface it unit between eating and kitchen area.

within a five mile radius of Kings Cross. After that carriage is charged at normal rates.

The solid maple chopping blocks come in several sizes from 8 in square at £3.50

up to 18 in by 18 in for £12.50.

If you really hanker after the

solid wood look throughout the

kitchen Alf Martensson also

produces kitchen worktops all

in sizes to fit standard

kitchen unit tops. These work-

tops are all made from solid

maple wood. They can be

N1 8ED, which is just next

door to Kings Cross station and

they are so heavy, they do lie

day, 9.15 to 6.30. For those who

wish but alternatively, are

open from Monday to Saturday,

9.15 to 6.30. For those who

would like a solid maple work-

surface going right up to the

sink they will cut out a sink-

unit shape as well. Charges for

these worktops are £20 a

running foot.

Alf Martensson runs his work-

shop at Building K, Albion

Yard, Baff Street, London,

2 in maple wood. They can be

N1 8ED, which is just next

door to Kings Cross station and

they are so heavy, they do lie

day, 9.15 to 6.30. For those who

wish but alternatively, are

open from Monday to Saturday,

9.15 to 6.30. For those who

would like a solid maple work-

surface going right up to the

sink they will cut out a sink-

unit shape as well. Charges for

these worktops are £20 a

running foot.

Alf Martensson runs his work-

shop at Building K, Albion

Yard, Baff Street, London,

2 in maple wood. They can be

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door to Kings Cross station and

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ARTS

A pinch of Salt

"There is the horrible—the really disquieting—prevalence of cranks wherever Socialists are gathered together. One sometimes gets the impression that the mere words 'Socialism' and 'Communism' draw towards them with magnetic force every fruitless, dim-witted, timid, sordid—wearer, sex-maniac, Quaker, 'Nature Cure' quack, pacifist and feminist in England." It was George Orwell who wrote that in 1937. D. A. N. Jones took the passage as his opening gambit in "Dictatorship of the People" (Radio 3, August 30), an hour-long feature in which he mounted a dazzling defence of the Party, moving an army of pieces across the board in some strange and arresting alignments.

Mr. Jones's theme was the idealistic soil out of which English socialism grew in the 1930s

RADIO

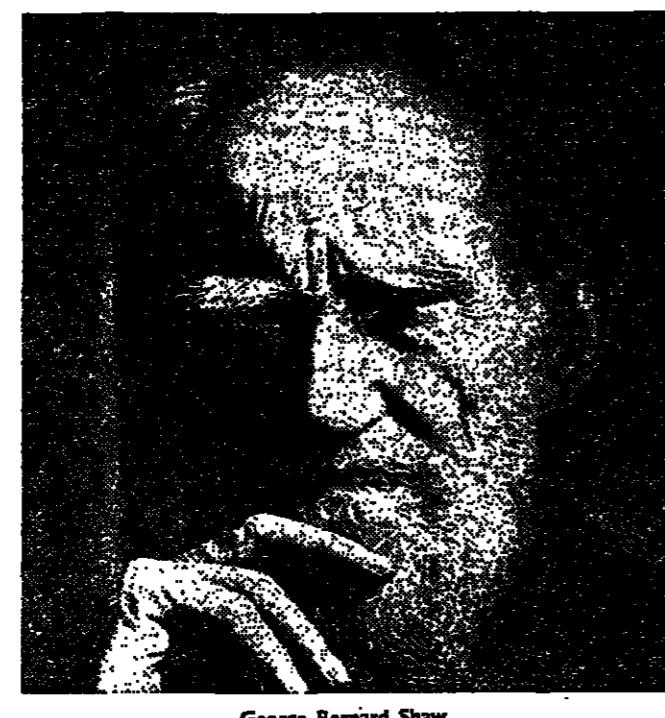
ANTHONY CURTIS

and 1940s. People like Beatrice and Sidney Webb were both "feet-minded and high-minded" and it was the high-minded side of the movement this programme documented, exemplified by two specimens of crankiness at its most dedicated: Edward Carpenter, simple-lifer, vegetarian, "open" homosexual author of *The In determinate Sex* (1908) and Henry Salt, simple-lifer, versifier, wit, Shakespearian biographer of James Thompson and champion of the rights of animals.

These two men, friends of a kind, were associated with Shaw in founding the Fellowship of the New Life out of whose members' visionary fervour the severely practical Fabian Society emerged. Today, when many of the attitudes which Carpenter and Salt promoted with eccentric courage may be adopted publicly without friction or sacrifice, they are both belatedly coming into their own as founding fathers of the alternative society; and are attracting a certain amount of scholarly attention from academics and social workers.

The radio feature is an ideal form in which to re-create the world inhabited by such men, near enough in time to be capable of living recall. Mr. Jones used radio's resources to the full. He narrated the show himself and kept a fine poise between being either too solemn or too funny about his heroes. If he could not quite manage to give us the recorded voices of either Carpenter or Salt, his disciples drew from Walt Whitman.

Apart from these primary sources there was a full complement of secondary ones: Asa



George Bernard Shaw

Briggs on the early Fabians' outlook, Benny Green on Shaw as an interpreter of the working-class, Sheila Rowbotham on Brighton where she talked gaily to Mr. Jones remembering many conversations about literature and painting among Salt's cronies and their friendliness to her. Lord Brookway, now in his nineties, knew Carpenter, Shaw and H. G. Wells; he spoke of Carpenter's extraordinarily relaxed presence (something which also struck E. M. Forster), remembered a suite set of eccentric thinkers, friends of his father, including Podmore, Sydney Olivier (cousin of our Lord Olivier); and as a first-generation schoolboy at Bedale he experienced some of their ideas about education. Mr. Jones found relevant extracts from the archives to add to these fascinating first-hand accounts, recordings of Shaw, Bertrand Russell, and Russell's first wife, the American Alice Pearsall-Smith who spoke of the inspiration which she and Carpenter had given to him. For instance, Marilyn Adams (soprano) gave an idiomantic account of Debussy's Trois Chansons de Bilitis; Jeremy Spencer

of the singers (aged between 25 and 35) helped to keep concentration keenly focused—even if not all the voices heard were equally secure. No restriction was placed on repertory, apart from a ban on chunks of opera or oratorio, but many competitors included songs by Mozart or Rachmaninov; the composers featured in this year's Bensons and Hedges Festival. Several sopranos opted for "Das Veilchen" but it was a baritone (Andrew Knight) who offered the subtler interpretation of Mozart's deceptively simple song. Rachmaninov's "Spring Waters" concluded a number of recitals; I liked Kathleen Livingston's soprano version best.

Successful programmes, like the two just mentioned, proved equally stylish in, say, Purcell's choice for an opening group, Schubert, Debussy and Granados. But some of the unsuccessful entrants impressed with one or other of their songs. For instance, Marilyn Adams (soprano) gave an idiomantic account of Debussy's Trois Chansons de Bilitis; Jeremy Spencer

of Jackman (countertenor) made give a half-hour's recital in the much of Betty Bee's settings of space of three days was an Herrick, Noble Numbers; Jacqueline Currie (mezzo) showed a good understanding of Schumann's *Frauenliebe und Leben*; entrants for the second Benson and Hedges Gold Award for Concert Singers—eight overseas competitors sent tapes were competing for 16 places in the second stage of the Award to be held in Snape, Railings, in October. The judges for the first Marathon heat at the Overseas League were Sir Peter Pears and Nancy Evans; a number of other distinguished musicians will join the panel for the final stages.

Variety programmes chosen by the singers (aged between 25 and 35) helped to keep concentration keenly focused—even if not all the voices heard were equally secure. No restriction was placed on repertory, apart from a ban on chunks of opera or oratorio, but many competitors included songs by Mozart or Rachmaninov; the composers featured in this year's Bensons and Hedges Festival. Several sopranos opted for "Das Veilchen" but it was a baritone (Andrew Knight) who offered the subtler interpretation of Mozart's deceptively simple song. Rachmaninov's "Spring Waters" concluded a number of recitals; I liked Kathleen Livingston's soprano version best.

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ELIZABETH FORBES

TV/Radio

+ Indicates programme in black and white.

BBC 1

8.55 am Ragtime. 9.10 Scooby-Doo. 9.30 Why Don't You? 9.35 Cut and Thrust. 10.20 Weather. 10.25 Cricket: Gillette Cup Final: Somerset v Sussex. 12.45 pm Grandstands: Football Focus (12.50); Rugby Union from New Zealand (1.15); New Zealand v Australia: Cricket (1.25); 3.45pm: Tennis: John Newcombe v Tony Trabert. 4.15pm: Cross-country: section; European Athletics Championships (2.20, 4.15, 5.10); 4.40pm: Final Score. 5.15 Tom and Jerry. 5.30 News. 5.40 Sport/Regional News. 5.45 Dr. Who. 6.20 European Athletics Championships. 6.45 Saturday Night at the Movies: "The Sheepman" starring Glenn Ford and Shirley MacLaine. 8.10 Special from Jersey starring Peters and Lee. 9.00 Starsky and Hutch. 9.30 News. 10.00 Midst of the Day Special. 11.45pm: Parkinson. All editions as BBC 1 except at the following times: Wales—12.10 am: News and Weather for Wales. Scotland—12.15 pm: Scoreboard. 5.45-6.15 pm: Scoreboard. 6.30 pm: McCalman's. 10.30-11.10 Sportscene.

12.10 am News and Weather for Scotland. Northern Ireland—5.05-5.15 pm Scoreboard. 5.40-5.45 Northern Ireland News. 12.10 am News and Weather for Northern Ireland.

BBC 2

7.40 am Open University. 7.55 pm Saturday Cinema: "Johnny Concho," starring Frank Sinatra. 4.15 Cricket: Gillette Cup Final. 7.30 News and Sport. 7.40 Festival of Festivals: Aix-en-Provence: "Alcina," by Handel. 9.50 pm Travels Truffaut Season: "L'Avant de Poche." 11.35 News on 2. 11.40 Cricket: Gillette Cup Final (highlights). 12.10 am Midnight Movie: "20,000 Years in Sing Sing," starring Spencer Tracy and Bette Davis.

LONDON

8.50 am The Saturday Banana with Bill Oddie, part 1. 9.00 Sesame Street. 9.45 The Saturday Banana, part 2. 10.15 The Monkees. 10.45 The Star, 11.00 Banana, part 3. 11.30-12.15 pm: 1961. 12.30 pm: World of Sport: 12.35 Headline; 1.15 News from ITN; 1.15-1.30 The ITV Seven—1.30-2.00. 2.20 and 3.00 from Sandown; 2.15, 2.35 and 2.45 from Thirsk; 3.10 International Sports Special—Cycling: World Championships from

West Germany, and World Aerobic Diving Championships from Fort Lauderdale, Florida; 3.30 Half-time Soccer Round-up; 4.00 Wrestling; 4.30 Results Service.

5.05 News. 5.15 BBC Mastership. 6.00 Alibi. 7.00 Robert Redford on the Outlaw Trail.

8.00-8.2—. 9.00 "Man at the Top" (part 1) starring Kenneth Haigh and Nancie Newman. 10.00 News. 10.15 "Man at the Top," (part 2).

11.00 Police Five. 11.10 Good Earth. 11.35 Revolutions.

12.40 am Close—A speech by one of Shakespeare's kings read by Michael Burrell.

All IBA regions as London except at the following times:

ANGLIA

9.00 am Undersea World of Captain Tammie. 9.45 The Next Step Show. 10.15-10.30 pm: Back to the Past; 11.30-11.45 pm: In the End of the Day.

ATV

9.05 am Home Production. 9.30 Square Street. 10.20-10.45 Saturday Cinema: "Blue Murder" at St. Trinian's, starring George Cole and Alison Steadman. 12.15 pm: The Super Serial.

9.00 Saturday Cinema: "The Executioner," starring Joan Collins. 10.15 pm: Revolver. 10.30 Gibboville. (Continued)

11.35 am Tarzan. 11.00 pm Revolver.

CHANNEL

12.15 pm Puffin's Playhouse. 11.00 Me and Mrs. Thorpe. 12.00 The Electric Theatre Show.

GRAMPIAN

9.35 am Scene on Saturday including Birthday Greetings and Captain Squire and the Mysterious. 10.05 The White Stone. 11.30 Sesame Street. 11.30 pm Sports Revolutions.

GRANADA

9.30 am Sesame Street. 11.25 The Film of the Week. 10.55 Saturday Matinee: "The Hills Run Red," starring Don Duray. 10.55 pm Revolver. 11.30 Gibboville.

HTV

9.35 am Saturday Morning Movie: "Journey to the Centre of the Earth," starring Par Bonne and James Mason. 11.30 Sesame Street. 11.30 pm Sports Results. 11.45 pm Revolver.

GRANADA

9.30 am Survival. 10.00 Look and See. 10.30 Gas: Hempton's Birthdays. 11.35-11.45 pm: Me and Mrs. Thorpe. 12.00 The Electric Theatre Show (Oliver Reed). 12.30 pm Fair for Life.

WESTWARD

10.15 am Survival. 10.20 Look and See. 10.30 Gas: Hempton's Birthdays. 11.35-11.45 pm: Me and Mrs. Thorpe. 12.00 The Electric Theatre Show (Oliver Reed). 12.30 pm Fair for Life.

YORKSHIRE

9.10 am This Sporting Land. 10.15 Extraordinary. 11.30 Code R. 11.00 pm Revolver. 11.45 The Bob Newhart Show.

RADIO 1

11.30 am Weather. 8.00 News. 8.55 Radio 1. 9.00 News. 9.05 Sports. 9.25 Stories of Our Lives. 10.15 Cricket: Gillette Cup. 11.30-11.45 pm: Sports Revolutions.

SCOTTISH

11.35 am The Bionic Woman. 11.00 pm Late Call.

SOUTHERN

11.30 am Tarzan. 12.27 pm Regional Weather Forecast. 11.00 Revolver. 11.45 Southern News. 11.50 Haven.

RADIO 2

1.30 pm News Summary. 5.02 Tom Edwards with The Early Show (S)

RADIO 3

5.00 am News. 6.00 News. 6.55 Sounds Interesting (S). 7.30 Radio 3. 8.00 News. 8.55 Sounds Interesting (S). 9.00 News. 9.30 Sounds Interesting (S). 10.00 News. 10.30 Sounds Interesting (S). 11.00 News. 11.30 Sounds Interesting (S). 12.00 News. 12.30 Sounds Interesting (S). 1.00 News. 1.30 Sounds Interesting (S). 2.00 News. 2.30 Sounds Interesting (S). 3.00 News. 3.30 Sounds Interesting (S). 4.00 News. 4.30 Sounds Interesting (S). 5.00 News. 5.30 Sounds Interesting (S). 6.00 News. 6.30 Sounds Interesting (S). 7.00 News. 7.30 Sounds Interesting (S). 8.00 News. 8.30 Sounds Interesting (S). 9.00 News. 9.30 Sounds Interesting (S). 10.00 News. 10.30 Sounds Interesting (S). 11.00 News. 11.30 Sounds Interesting (S). 12.00 News. 12.30 Sounds Interesting (S). 1.00 News. 1.30 Sounds Interesting (S). 2.00 News. 2.30 Sounds Interesting (S). 3.00 News. 3.30 Sounds Interesting (S). 4.00 News. 4.30 Sounds Interesting (S). 5.00 News. 5.30 Sounds Interesting (S). 6.00 News. 6.30 Sounds Interesting (S). 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FINANCIAL TIMES

BRACKEN-HOUSE, CANNON STREET, LONDON EC4P 4BY

Telephone: Financial Times, London PS4. Telex: 888241/2, 888287

Telephone: 01-245 5909

Saturday September 2 1978

Something stirring

THE MARKET has now been sunk in torpor for two weeks, with prices drifting down in very light trading—a combination of election uncertainty, post-holiday indecision, and a pretty flat economic outlook. However, it would be a mistake to assume that because there are few obvious dramas in progress, nothing is changing. On the contrary, three very significant developments are becoming apparent. First, home industry is beginning to feel the benefit of the large rise in retail sales which has gone on through the summer. Second, there has been a marked change of international strategy in the exchange markets. Thirdly, UK management is beginning to square up to disorder on the shopfloor.

None of these developments is easy to interpret, but perhaps the rise in output which has been reported by the Confederation of British Industry has the clearest meaning. Such is the general reluctance to believe that anything good ever happens in the UK economy that some market men have already commented that industry seems to be getting on to the bus just as it is stopping. While it is true that the effect of higher demand has taken a distressingly long time to work through to the factories, this is pessimism for its own sake.

A high level

First, while it is true that the sharp rate of increase in consumer sales cannot be sustained for long, they should remain at the present higher level, and indeed go on rising more gently, for the foreseeable future. This is what matters for output; for it seems likely that the cause of the delay can be read in the unexpectedly high level of stocks—especially retail stocks—which have been reported through the summer.

If this analysis is correct, and the sluggish response of orders has been as much due to goods in the pipeline as to a surge of successful import competition, then the rise in output, though not dramatic, should be sustained, and this would clearly be good news. It promises productivity higher than could otherwise be achieved; this could mean not only less inflation, but consequently rather higher demand in real terms than has been forecast.

These effects are not likely to be dramatic, but even a rise in output and productivity of a single percentage point above recent forecasts would improve the growth rate very significantly.

The drama surrounding the

Letters to the Editor

One man's meat . . .

From Councillor Peter Croft

Sir.—The letter from the Director-General of the National Chamber of Trade, opposing Sunday trading (August 31) is one of the nastier pieces of economic Liberalism to appear in your paper lately. What purpose could it serve by consulting his members as he wishes, beyond assisting them to impose their views on the minority that may be willing to give up Sundays? And if the restrictions were abolished, what damage will be done to any of them beyond the normal economic penalties for slackness and failure to meet demand? If they do not wish to open on Sundays, they need not do so. If they do so wish and customers are willing to patronise them, it is not for the Government, the local authority, the church, or Mr. Screevy's association to stand in their way. P. Croft
Town Hall,
Ealing, W5.

. . . another's poiss on

From the Press Officer,
National Federation of
Meat Traders

Sir.—Despite the anomalies in current Sunday trading legislation, there can be no logical argument for any extension of Sunday trading in the food sector. It is intolerable in a society wherein the majority enjoy increasingly lengthy holidays, unions are seeking an ever shorter working week and the welfare block is burying itself with better utilisation of leisure, that any sector should be expected to sacrifice its only "day off" for no valid reason.

Mr. Pickering points out quite rightly that the role of agriculture is to serve the public—but surely even he, as a practising vet, expects a fair reward for such service? My letter (August 24) to which Mr. Pickering objects, suggested that the answer must lie in increasing the productivity and efficiency of industry so that higher wages can be earned.

The absurdity would be that Anthony Rosen,
Moor Hatches, West Amesbury,
Salisbury, Wilts.

A ditch in time

From Mr. J. H. Miller.

Sir.—You published on August 24 a letter from Mrs. R. Epps on shopping standards officers and presumably other consumer protection officials will need reinforcement to police them satisfactorily, at public expense.

The vast majority of consumers, particularly those who favour traditional tradesmen, would want them to enjoy what leisure time remains after they have completed their governmental work of form filling for PAYE, NIS, VAT, natera, etc.

L. A. T. Moss
29, Linfield Lane,
Bedhill, Surrey.

Tenant farmers

From the managing director,
Fountain Farming.

Sir.—Mr. J. P. Pickering (August 31) once again muddies the stream by deliberately confusing the hopes and expectations of landowners with the justifiable economic needs of tenant farmers.

The tenant farmer, like every other business man, is seeking a return on his investment which does not, of course, include the value of the land on which he operates. This certainly will not be achieved under the current system of operation of the Green Pound.

The consumer appears able to tolerate and accept price increases, albeit reluctantly, at least in line with inflation, in respect of the majority of his purchases but not where it comes to food.

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COMPANY NEWS + COMMENT

Desoutter Brothers down £0.27m midway

ALTHOUGH TURNOVER rose from £1.45m to £1.28m (taxable profit of Desoutter Brothers Holdings) dipped from £1.87m to £1.6m in the six months ended June 30, 1978.

Directors say that they have just started to see an upturn in overseas ordering which together with a continuation of the satisfactory UK sales should enable the company to at least match the second half profit of a similar level to that of the first half. For all last year profit jumped from £2.56m to £3.75m.

In March it was reported that the level of orders received by the precision mechanical engineering group was above the average for 1977. However, inflated costs and a limited scope for price increases were expected to prohibit a similar enlargement of turnover and profit in 1978.

After tax of £331,000 (£371,000), net profit came out at £765,000 compared with £896,000 previously.

The interim dividend is stepped up from 2.25p net per 25p share to 2.475p. Last time a 3.275p final was paid.

They say the level of orders received in the first six months of 1978 proved less than was apparent in the early part of that period. Consequently, as most of its products are sold from stock, the company traded less profitably than in its record year, 1977. Foreign distributors and its own overseas selling companies generally reported reductions in sales levels and the outlets are now reporting increased orders from their customers.

• comment

Desoutter's impressive profits growth since the abortive bid from Compair now seems to have gone into reverse. Following last year's static second half, taxable profits have slipped 14 per cent in the first six months. The reason and the company does not expect to make up the shortfall in the current period. The chief problem, after the company's initial optimism, has been destocking by overseas distributors; volume is little changed and margins have fallen back from 22 per cent to 17.2 per cent. Overseas sales

DIVIDENDS ANNOUNCED

	Current payment	Date	Corre-	Total	Total
			div.	of spending	for last
Amalg. Tin Mines Nigeria	1.81	Oct. 21	2.42	5.73	2.31
Debtors Services	2.11	Oct. 27	2.23	—	5.52
Desoutter Bros.	2.48	Oct. 30	—	—	0.2
J. Hyman & Son	0.75	Sept. 27	1	—	1
Inch Kenneth Kajang Int'l	1.2	Nov. 1	4.61	5.15	4.61
Leigh Mills	5.15	—	—	9.24	—
William Nash	5.5	—	5.45	6.08	5.25
Parker Timber	6.08	Oct. 17	0.75	—	—
George Spencer	0.76	—	—	—	—

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡Gross throughout and in lieu of last year's final.

Titaghur Jute loss reduced

WITH ITS Indian loss down from £259,000 to £75,000 and UK profits £250,000 lower at £55,000 the pre-tax loss at Titaghur Jute Factory Company came out at £715,000 compared with £908,000 last time in the December 31, 1977, half year.

Preference and ordinary dividends, last paid in 1972, are again omitted and directors say second half results from India will be no better, while the UK performance will be a little better than in the previous year. Last year the UK contributed a £94,700 profit.

They say the results for the first six months were slightly better than anticipated but second half profits will be below those now reported, as rising costs in a highly competitive market are likely to adversely affect the level of profitability.

Turnover for the half year was £5.04m compared with £5.34m. The interim dividend is stepped up from 5p to 5.5p—last year's total was 9.24p when net profit amounted to £244,000.

Earnings per 25p share are shown at 18.3p compared with 22p, while the dividend is lifted from 5.445p net to 6.08p.

Parker Timber lower

AFTER FALLING from £1.74m to £1.37m at half way pre-tax profit of Parker Timber Group ended the March 31, 1978, year down from £2.74m to £2.3m. Turnover advanced from £41.06m to £45.75m. The result is up after depreciation of £516,653 (£315,964) and interest charges of £307,576 (£312,966). Tax charge is £1.1m (£1.24m) leaving net profit at £1.1m against £1.32m last year.

Directors say there has been little progress since the last AGM either in the UK or India with reorganisation plans. Various matters are under discussion and negotiation in both countries and draft documents from solicitors are awaited.

Acquisitions boost Hyman first half

INCLUDING RESULTS of Draka Foam for the first time, taxable profit of I. and J. Hyman jumped from £132,102 to £905,267 in the first half of 1978, to exceed by some £133,000 the total profit reported last year.

Mr. P. Buckley, the chairman, says that while it is too early to predict results for all of 1978, he will be disappointed if the progress in the first half is not matched by similar growth in the second half.

Turnover in the period surged from £2.98m to £7.6m and after tax of £427,528 (£78,100), minority interests of £4,856 (£3,868) and extraordinary profits of £132,090, attributable profit emerged at £64,973 against £69,125 last time. The extraordinary items relate to the surplus on the disposal of Draka Foam's holding of Hyman shares.

G. Spencer first half profit cut

MAKER OF "Vedonis" knitwear, G. Spencer reports pre-tax profits well down at £80,000 for the half year ended July 1, 1978, compared with £100,000 in the same period last year. The result is in respect of ladies' knitwear made under contract in the UK.

Mr. Buckley says the improvement in the first half is a reflection in part of recent acquisitions made by the plastic foam converter.

Blackwood Morton

C. T. Bowring has subscribed a further £5m capital to its credit finance and leasing subsidiary, Bowmaker.

CAIRD (DUNDEE)

Shareholders at the annual

meeting of Caird (Dundee) were told of the directors' optimism that the current year would show a modest profit.

The remainder of the group has good order books and is expecting a better second half but the decision to withdraw from knitwear will incur terminal losses.

Thereafter the group will operate from a healthier base and the resources released will be used to encourage and expand more profitable activities, the directors say.

Turnover for the half year amounted to £6.02m against £5.77m.

The first interim dividend of 4.25p (£4.00p) is declared. Last year's total was 2.64p.

Yearly earnings per 25p share are shown at 5.78p (5.13p) and the net dividend is stepped up from 4.611915p to 5.149972p.

Turnover declined from £3.84m to £3.83m. There was no tax charge compared with £182,695 last time. Profit retained amounted to £116,140 (£92,325) after transfer from deferred tax of £247,683 (nil). The company operates as a worted manufacturer.

BOWMAKER

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Shareholders at the annual

Results due next week

NEXT WEEK'S list of companies making profit announcements stretches across the entire industrial spectrum, including many market leaders. Interim results are due from Imperial Chemical Industries, British Petroleum, Peminsular and Oriental Steam Navigation Company, BICC and Cadbury Schweppes, while Plessey will announce its first quarter profits.

ICI's results are usually judged as an economic indicator, so its first half profits, expected on Thursday, will arouse keen interest. Generally, prices, profit margins and factory have been better and volume is also inching ahead. However, the market is still weak and there is no certainty that this can be maintained through to the end of this year. Nevertheless, second quarter profits will show an improvement over the first three months and analysts are forecasting between £120m and £140m. This is a pre-tax figure of between £22m and £23m for the first half, compared with £19m last time. The movements of sterling suggest that there will be little exchange adjustment in the second quarter compared with the £5m loss in the first three months.

Forcasts for P. & O.'s interim results due on Wednesday are quite wide-ranging in the market. Individual brokers are preferring not to be too precise about the figures for there are many imponderables to be set against the gloomy warnings from the shipping interests (more than half of total profits last year) are anything like as profitable. In any event this is the group's slackest season and with the bulk of the group's profits falling in the second half taxable profits of between £15m and £18m for the year are looked for, compared with £24m. There are hopes that the dividend will be maintained.

Estimates of BICC half year pre-tax profits, due on Thursday, are £18.7m. This compares with £15.4m last year. The second quarter profits on the Forties field should show an improvement over the first three months as the number of barrels produced per day has risen: also the continuing fall in the value of the dollar will have cut refining costs in Europe (including the UK) and given a further boost to oil and gas prices.

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

A last-minute rush of acceptances and strategic buying by Burman has given Associated Engineering victory in its efforts to take over Fluidrive Engineering for £5.3m. Associated Engineers now controls more than 50 per cent of Fluidrive and has accepted its offer unconditional. The statement followed the return of the offer on August 25 and came less than a week after Thomas Tilling, the rival bidder, indicated it was awaiting its £5.8m share-exchange offer. Tilling accepted defeat and has returned all acceptances to its offer.

Burman Oil is selling all its remaining oil and exploration and production interests in Australia in a deal worth £20.8m. The sale takes in the group's shareholdings in three quoted Australian companies engaged in the Cooper Basin, South Australia. Burman's interests are being bought out by a group headed by Bond Corporation and Endeavour Resources.

The battle for control of Trident Group Printers, the magazine and newspaper publishing group based in Surrey, intensified last week. Starwest Investments Holdings, a private company headed by Trident's chairman Mr. Remo Dipre, has stepped up its offer from 63p to 80p per share and met instant rejection from the independent directors on the grounds that the revised offer was still inadequate. The directors' rejection of the first offer, in which they claimed support of 60 per cent of the shareholders, was based on the fact that Trident had entered a recovery phase and its prospects far outweighed the bid. The situation was further complicated by Thursday's announcement that talks are currently taking place which could lead to another offer for Trident being made with the blessing of the company's independent directors.

A group of small shareholders in Oliver Rix is mustering opposition to the proposed merger with Manchester Garages. Mr. Harry Wakeley of Blackwood in Gwent, who is leading the opposition, last weekend circularised shareholders owning 10,000 or

more shares and now claims verbal support for his attempt to defeat the proposed merger from shareholders representing nearly 10 per cent of the equity.

Dixon's Photographic has pulled out of its £18m retail business in Holland and Belgium with the admission that the operation had not produced a reasonable return and that profitability was worsening. The company has sold the entire Dutch subsidiary, which ran 64 shops in Holland and a further 10 concessions in Belgium, to Holland's largest retail chain, Vroom and Dreesmann Nederland. V and D is paying £2.65m for the Dutch chain and will assume responsibility for loan capital of £2.9m owed by the subsidiary of the group.

A near-30 per cent stake in Nelson David, the Welsh-based motor distributor, has been acquired by Convey, a new private company.

Company bid for Value of bid per share** Price per share** Value of bid (£m's) Final Acc'tee date Bidder

Company bid for	Value of bid per share** price**	Market value before bid (£m's)*	Price of bid (£m's)*	Final Acc'tee date	Bidder
Weston-Evans 1241*	136	110	8.4	8/9/78	Stam & Midland Counties Fst -
Weston-Evans 136	156	133	8.4	Johnson and	Firth Brown -
					* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. Combined market capitalisation. Date on which scheme is expected to become operative. ** Based on 21.8.78. ¶ At suspension. ¶¶ Estimated. §§ Shares and cash. ¶¶ Based on 1.9.78.

Companies for which no final acceptance date has been received.

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Companies

WORLD STOCK MARKETS

Narrow gains on Wall St.

INVESTMENT DOLLAR PREMIUM

\$2.60 to \$1.585 (801%) Effective 8/30/78 +4% (-21%)

NARROW GAINS were in the market yesterday, with active trading on Wall Street yesterday, prior to the Labor Day holiday on Monday.

The Dow Industrial Average gained 2.31 to 797.35, reducing its loss on the week to 1.42 per cent.

Analysts attributed the firming to the recent take-over of the Blue Chip, which pulled back recently in the face of persistent speculation in Casino-related issues.

There was also some encouragement from the drop in money supply announced on Thursday, which could ease pressures on the Federal Reserve for any

FRIDAY'S ACTIVE STOCKS

Stocks Cleared on Change

Traded price d.p.

Bomadore Ind. 94.500 117 -1

Furnace Group 90.000 100 -1

Pon Amr Air 82.000 82 -1

Cessna's World 82.000 82 -1

De E. Webb 82.000 82 -1

Hobday Inm. 200.000 200 -1

Harrish 4.000 77 -1

FAL 22.000 22 -1

near-term credit tightening. The Fed has pushed up short-term rates, recent wage and price bands raised their prime rate 1 point to 9.1 per cent this week.

A drop in U.S. unemployment in August to 5.8 per cent from 6.2 per cent in July could make it easier for the Administration to defend more conservative economic policies.

The Casino Group was heavily traded and sharply lower following a rumour that the Stock Exchange would raise its margin requirement on certain issues to 35 cents to 30 cents.

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INTERNATIONAL FINANCIAL AND COMPANY NEWS

Sales rise at German engineer

By Our Financial Staff

MANNESMANN, the West German steel pipe, plant construction and mechanical engineering group, has registered a 5 per cent rise in external sales to DM53.38m (£27.7m) for the six months to June. After the 1 per cent increase reported for the first three months, Mannesmann says begin to justify its forecast that 1978 will show a recovery.

In its works magazine Mannesmann said that order inflow and production had climbed as well as turnover. The company said that in the first half-year, foreign sales' share of external turnover climbed to 58 per cent from 55 per cent.

The company said without giving figures, that earnings in the first half were "in total" positive.

Peak EOE turnover

The European Options Exchange experienced a record turnover in August. Contracts of 24,732 compared with the previous high of 16,621 in June, Reuter reports from Amsterdam.

The EOE said the turnover was boosted by firm prices of the underlying shares on the Bourse and greater interest and familiarity of options generally. The EOE also expects the government decision that investment institutions can operate through the exchange without contravening their legal position to be a positive influence.

Carlsberg in Malaysia

CARLSBERG BERHAD, the second biggest brewer in Malaysia, has reported a 14 per cent rise in profits for the first half of this year, and is declaring a scrip issue of one for two to capitalise six million Ringgit from reserves and retained earnings. Wong Sulong writes from Kuala Lumpur.

The company is also proposing to raise its authorised capital from 15m to 50m Ringgit.

The First Viking Commodity Trusts

Commodity Offer 36.5%
BID 34.7

Double Option Trust BID 71.0

Commodity & General Management Co Ltd
2 St George's Street
Douglas Isle of Man
Tel: 0324 4662.

Major coal discovery in New South Wales

BY OUR OWN CORRESPONDENT

THE New South Wales Government has discovered a new coal deposit which could prove to be valued at "thousands of millions of dollars" as black coal is the mine could begin production. Mr. Hills said that the Government most sought after coal for power generation and industrial uses.

The find was made by the state's Department of Mines near the town of Breeza, close to the rail centre of Werris Creek in the Gunnadah Basin, 300 km north of Sydney. The department found a multiplicity of black-coal seams, the deepest of which was 60 feet deep and extended across an area of 50 km, in its 1977-78 preliminary coal drilling programme.

The Minister for Mines and Energy, Mr. Pat Hills, said that preliminary indications were that the fields would be of major importance to the state and that it represents a huge energy resource.

The exact size of the Breeza discovery will not be known until further drilling is completed. Results to date indicate that the find could be an extension of the Werris Hunter area as the structure is after which the Government will take another two years to assess accessible and close to the Werris Creek rail centre.

Nearly rail links to Newcastle have been established and this is the area for continued exploration and let out the balance to mining companies. However, industry is forced to tender the land to mining companies, as planned, was Sig. Carlo de Benedetti (the former managing director of Fiat) who was appointed chairman and chief operating officer of office equipment group last April.

Sig. de Benedetti took up his post in Australia which is currently being developed by Confindustria.

Both steaming and soft coking coal are contained in the field, Mr. Hills said.

"One of the coal seams has shown to be more than 80 feet with scarcely a hand and this is likely to retain a portion of the area for continued exploration and let out the balance to interested companies.

One such interested company is G.R.A. (Giovanni Rovelli), which is currently being developed by Confindustria.

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Financial Times Saturday September 2 1978

INDUSTRIALS—Contin.

INSURANCE—Continued

PROPERTY. *Continued*

INV TRUSTS Cont'd



Planning and Compensation

Knight Frank & Rutley

Planning and
Compensation

Knight Frank & Rutley

MAN OF THE WEEK

Europe's hand at the wheel

BY DAVID CURRY

THE TRIM YOUNG MAN with the classical good looks and diffident manner who tapped the microphone was obviously an aide from the public relations department preparing the stage for the entry of his chief. The chatter continued unabated among the journalists.

The young man cleared his throat, sat down and in a soft voice, as if even these words were deeply considered before being spoken, when the general secretary of the Transport and General Workers Union, M. Jean-Paul Parayre, at 41 the head of Peugeot-Citroen, and bidding to make his group the biggest in Europe by buying the British, French and Spanish manufacturing and sales sub-



Jean-Paul Parayre
Picked out by talent-spotter Pompidou

sidiaries of Chrysler, was ready to begin his Press conference. It was a typical entry from Jean-Paul Parayre. Parachuted into an old-established group four years ago over the heads of long-time senior managers, he has established his position by quiet, reflective behaviour and deliberation in speech and action. The whiz-kid image with which he is endowed in the Press, the precocious competence which brought him a meteoric rise through the senior civil service, are not part of his business persona. Peugeot, still with the whiff of provinciality about it, controlled by the nth generation of the Peugeot family (the enterprise began in 1810 as a steelmaker), with an intense pride in traditional engineering skills, would have been impermeable to the deliberate aggression of a man on the make.

Parayre's physical trimness is no accident; he is a keep-fit enthusiast, preferring to leave the office early for two hours tennis and then returning rather than become soggy over a long afternoon in the office.

Even for one of the elite products of the French education system—a graduate of both the Ecole Polytechnique and the Ecole Nationale de Ponts et Chaussees—Parayre has turned in a spectacular performance. Picked out by that great talent-spotter President Pompidou, by his early 30s he was head of one of the most powerful of French Government departments—Directorate of Metalurgical, mechanical and Electrical Industries—which is virtually the overlord of French industry.

He was one of what became known as Pompidou's "Four Musketeers"—the officials charged with the job of preparing French industry for "le defi Americain"—a preoccupation then as now. Significantly, the logic behind the Peugeot-Citroen-Chrysler merger is precisely Parayre's belief that European industry must acquire the dimension to compete with American and Japanese giants. During this time Parayre doubled as one of the Government representatives on the Board of the state-owned Renault company before in 1974 leaving the civil service to make his entrance—into Government-backed—at Peugeot.

These were exciting days. His rapid move from director without portfolio to planning head for Automobiles Peugeot, to director of the car division of Peugeot-Citroen coincided with the Peugeot absorption of Citroen.

Thirteen months after becoming in June 1977 the head of the three-man ruling directory of the Peugeot-Citroen holding company, he was able to announce the conclusion of the agreement to take over the European interests of Chrysler to create a group capable of producing some 2.3m vehicles a year employing 230,000 people and with a turnover of \$1.5bn.

But Jean-Paul Parayre is no absolute ruler. Peugeot has a collegiate management. Parayre's power is a collective authority and are not there to make up the numbers: Gerard de Pins, another Polytechnicien, in his time the youngest Air Marshal in France and Pierre Peugeot, a member of the family which still controls over 40 per cent of the equity, are substantial figures, and decisions go by majority rule by the end of the year.

Jack Jones attacks Civil Service power

BY CHRISTIAN TYLER, LABOUR EDITOR

SENIOR CIVIL SERVANTS have used their power to block industrial and economic policy changes, says Mr. Jack Jones, former general secretary of the Transport and General Workers Union.

Mr. Jones, reviewing the progress of the social contract between Labour and the unions, eve of his last TUC, said Ministers sometimes lacked the experience of industry or the "political clout" to see policies through.

He fears that the Labour Party is not attracting MPs of the right calibre. Like many other union leaders he believes the unions should do more to encourage officials with experience of working life at the grass roots to make a career in politics.

Of the power of civil servants he said: "It's getting across to influential civil servants that is so important, because the real power is very much with the permanent official."

An example was Lord Armstrong, former head of the Civil Service who, Mr. Jones said, was at one time virtually running the country.

Furthermore, civil servants had sometimes watered down legislative proposals at the drafting stage. An example of that was the Advisory Conciliation and Arbitration Service, of which he is a member.

"ACAS has become a Civil Service department, when the intention was to have a completely independent service that was practically based, using the experience of employers and trade unions."

In policy matters the Civil Service had shown its power, for instance, blocking the TUC demand for import restrictions.

Incomes role

As architect of the social contract and virtual arbiter of TUC policy objectives Mr. Jones has had considerable experience of contact with Government Departments.

His pronouncements have been closely scrutinised in Whitehall.

Planning of incomes policy was almost entirely geared to his reactions.

Mr. Jones's attack on the power of the Civil Service comes at a

time when Whitehall is feeling particularly sensitive.

A special group has been set up to monitor public criticism, and to reply by writing to news paper editors. It is felt that the paper editor has been unfairly treated.

Yesterday the TUC announced a new initiative on the industrial strategy, a product of the social contract era in which civil servants have been involved, which has disappointed union leaders by its lack of momentum.

Ten local conferences are planned for shop stewards to discuss various industries examined by tripartite sector working parties at national level.

The aim of the conferences is to encourage shop stewards to press employers at company or factory level to implement the findings of sector working parties.

The first conference, on the textile, clothing and footwear industries, will be on September 21 in Leicester. Mr. Eric Varley, the Industry Secretary, will address it.

The TUC has issued 200,000 copies of a specialist TUC news paper for distribution among the unions.

Tories are concerned on law and order

BY JOHN HUNT

LAW AND ORDER will be the chief concern of the Tory rank and file at the coming General Election, closely followed by the need for income tax and the high rate of unemployment.

This is clear from details released by Conservative Central Office of the motions received for the Party's annual conference which is scheduled for October 10.

If a General Election is declared before then, the conference will not take place.

Motions submitted on the need to protect citizens against lawlessness total 180. Economic policy with 112 motions, is the second priority.

In spite of the misgivings of some Labour Ministers, the impetus towards an October election—probably on October 5—continued yesterday.

A large number of Tory speeches were due to be made over the weekend and Sir Keith Joseph, Tory Industry spokesman, issued a statement attacking the Prime Minister for defending the use of subsidies to create jobs and contain unemployment.

Sir Keith said that this merely displaced jobs in other firms and had to be paid for by higher taxation, higher borrowing or printing more money.

Mr. Merlyn Rees, Home Secretary, who remains unconvinced that next month is the best time for a General Election, said last night that the present Parliament did not end until October, 1979.

But whenever the election came, he said, Labour's appeal to the electorate should not be a narrow one. In particular, it should have an attractive programme for the rural areas.

Continued from Page 1

African

many "elements" remained to be tied together.

The talks are being held in President Kaunda's secluded and heavily-guarded lodge outside Lusaka and little information on their progress is expected to be made public. However, the aim of the meeting seems clear: to persuade the guerrillas to adopt a conciliatory position which the U.S. and Britain can use to lure Mr. Smith and his allies in the Salisbury executive council to all-party talks.

Both Mr. Mugabe and Mr. Nkomo have expressed willingness to attend such a meeting, but Mr. Mugabe's demands that the Rhodesian armed forces be dismantled and replaced by the guerrillas has been rejected by Mr. Smith.

There is intense speculation in Lusaka that Nigeria is offering to play a key role in the proposed United Nations peacekeeping force in Rhodesia—a central part of Anglo-American policy—so that the guerrillas will feel they can soften their demands.

Our Salisbury Correspondent adds: In one of his most bitter attacks on Britain and the U.S., Mr. Smith accused the Western powers of supporting Black nationalist guerrillas and siding up with Russia and Cuba to undermine Rhodesia's bi-racial transitional Government. Opening the annual Salisbury agricultural show, Mr. Smith urged the White minority to stay and fight for their country, declaring that the alternative was "chaos, corruption and a reversion to barbarism."

Mr. Smith, who was enthusiastically applauded by the mainly White crowd of 5,000, pledged that the transitional Government would press on with its domestic plan, for majority rule by the end of the year.

Shorter hours will be top of TUC list

BY OUR LABOUR EDITOR

DELEGATES to the Trades of the impact of technological change, especially of micro-processors which are seen as welcome developments in the winter wage round, in an effort to combat rising unemployment.

This is the culmination of a campaign conceived several years ago but which has only come to life this year.

The General Council of the TUC decided yesterday to support a motion combining ten motions on the agenda dealing with hours and unemployment. A 35-hour week without loss of pay is the main element, along with earlier retirement, longer holidays and a cut in the amount of overtime. The motion will be introduced by the Transport Workers and seconded by NALGO, the local government union.

The threat to jobs will be the main preoccupation of union leaders at this congress, apart from the necessity of a Labour victory in the General Election (the present constituency arrangement) was rejected in principle by the council earlier this year.

BASF considers two sites in UK

BY KEVIN DONE

BASF, ONE of the world's largest chemicals companies, is considering two areas of the UK for establishing a major new manufacturing site.

The locations chosen are Humberside in northern England and Grangemouth on the Firth of Forth—but the company said yesterday that any decision to develop in the UK would not be taken immediately.

The pin-pointing of sites for possible expansion has formed part of a medium-term strategy report prepared for the main Board of BASF, one of the "big three" West German chemical companies.

The company is considering locations for a third European manufacturing site in addition to Ludwigshafen, West Germany, and Antwerp, Holland. It has looked at other locations in the UK as well as sites in the South of France, northern Germany and Norway.

The UK has been studied as a location for expansion by all the major West German chemical groups, including Hoechst, Bayer and Veba. However, so far none of their ideas have gone beyond the planning stage.

New state oil post for Lord Croham

BY KEVIN DONE, ENERGY CORRESPONDENT

LORD CROHAM, formerly Sir Douglas Allen, has been appointed a part-time deputy chairman of the British National Oil Corporation.

The appointment, which carries an annual salary of about £10,000, for a two-year term, Lord Croham was permanent secretary at the Treasury from 1968 to 1974, and Head of the Home Civil Service and Permanent Secretary at the Civil Service Department until he retired in 1977.

He will spend about two days a week on his new job at the State oil corporation and will continue in his other role as adviser to the Bank of England on relations with industry and Government.

His appointment by Mr. Anthony Wedgwood Benn, Energy Secretary, still leaves a gap near the top of BNOC. Lord Kearton, the chairman, has carried out the functions of chief executive in the absence of a full-time deputy chairman. Lord Kearton's own three-year

Euro-link bond plan in Italian reforms

BY PAUL BETTS

ROME, Sept. 1. THE ITALIAN authorities are considering selling medium-term Government bonds issued as part of a wider reform of the country's public finances which could also eventually include the introduction of a "heavy lira."

The currency charge, which would see the present 1,000 lira unchanged, become new lira which represent "the crowning of the country's efforts to regain stability," according to Sig. Filippo Marzocchi, Pandolfi, Treasury Minister.

He stressed, however, that the heavy adoption of both the "heavy lira" and externally-linked medium-term bonds largely depended on the swift implementation of the Government's 1978-SI economic recovery plan.

The Government has submitted the broad details of this package to the political parties directly supporting the minority Christian Democrat administration of Giulio Andreotti.

Among its main points are the gradual reduction of the inflation rate to single figures, overall cuts in public expenditure through a revision of the country's pension and social welfare systems increased fiscal revenue and a thorough overhaul of public administration.

In a decision which reflects a feeling that the underlying inflation rate is coming down, the Central Bank's discount rate was cut to 10.5 per cent tonight.

Cut rates

The reduction from 11.5 per cent is regarded as tangible evidence of the Government's intention to promote a recovery in Italy's flagging industrial production. It is expected to be followed by a cut in commercial bank lending rates, now at 16 per cent for prime borrowers.

The Government also intends to promote a series of investments to create 500,000 new jobs in the next three years. This target is generally regarded here as optimistic.

Sig. Andreotti is due to meet representatives of the main political parties and trade union leaders in an attempt to secure Parliamentary approval for the programme and for next year's provisional Budget by the end of this month.

In October, an International Monetary Fund team is expected in Rome to finalise a new \$1bn standby facility for Italy.

Meanwhile, Sig. Pandolfi has told the EEC that Italy is ready to repay \$1.1bn in outstanding EEC loans ahead of schedule.

Weather

UK TODAY

CLOUDY, cool, some rain. London, E. Anglia, S.E. Cent. N. England, E. Midlands. Cloudy, some rain. Max 18C (61F).

Cent. S., S.W. England, W. Midlands, Channel Is., S. Wales. Cloudy, sunnier intervals, cool. Max 18C (61F).

N. Wales, N.W. England, Lakes, I. of Man. Cloudy, sunnier intervals, some rain likely. Max 18C (61F).

N.E. England, Borders, Edinburgh, Dundee. Cloudy, some rain. Max 14C (57F).

Aberdeen, Moray Firth, W. Scotland, Glasgow, C. Highlands, Argyll, N. Ireland. Cloudy, some rain. Max 15C (59F).

N.E. Scotland, Orkney, Shetland. Cloudy, some rain, cool. Max 12C (54F).

Outlook: Cloudy, some rain.

BUSINESS CENTRES

VDay YDay
°C °F
Amsterdam F 15 61 Luxembourg C 10 50
Athens S 28 82 Madrid S 26 74
Bahrain S 28 82 Paris C 22 72
Belgrade C 13 58 Milan C 12 53
Berlin C 14 57 Stockholm C 14 59
Buenos Aires C 14 57 Moscow C 14 59
Brussels C 13 55 Munich C 9 48
Caracas C 14 57 New York C 19 67
Cairo C 26 79 Oslo C 12 51
Colombia C 15 59 Prague C 12 54
Copenhagen C 12 54 Rio de Jto C 26 79
Dakar C 14 54 Singapore C 23 75
Dartford C 14 54 Stockholm C 12 51
Frankfurt C 14 54 Sydney C 12 51
Geneva C 15 57 Tehran C 20 68
Helsinki C 13 55 Tokyo C 20 67
Hong Kong C 18 64 Tunis C 19 65
Lisbon C 14 57 Warsaw C 14 57
London C 14 57 Zurich C 11 53

HOLIDAY RESORTS

VDay YDay
°C °F
Alacio S 23 73 Jersey, Guernsey C 17 63
Barbados S 17 63 Malaga C 22 72
Bordeaux F 17 63 Monte Carlo C 22 72
Cape Town C 14 54 Naples C 21 75
Debretown C 14 54 Nice C 21 75
Faroe Islands C 14 54 Palma C 22 72
France C 14 54 Portugal C 21 75
Gibraltar C 15 56 Salzburg C 13 54
Guernsey C 15 56 Tangier C 13 54
Innsbruck C 12 54 Tenerife C 18 68
Istanbul F 21 70 Venice C 20 65
S-Santorini F 14 57

THE LEX COLUMN

Election jitters for equities

Index fell 0.5 to 498.0

